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ACTIVITIES OF THE COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

AND ITS

SUBCOMMITTEES

FOR THE

ONE HUNDRED THIRTEENTH CONGRESS



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¹ Senator Jeff Chiesa served on the Committee from 6/20/2013 to 10/30/2013.

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ACTIVITIES OF THE COMMITTEE ON HOMELAND
SECURITY AND GOVERNMENTAL AFFAIRS
DURING THE 113TH CONGRESS

APRIL 20, 2015—Ordered to be printed

Mr. JOHNSON, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

This report reviews the legislative and oversight activities of the Committee on Homeland Security and Governmental Affairs and its Subcommittees during the 113th Congress. These activities were conducted pursuant to the Legislative Reorganization Act of 1946, as amended; by Rule XXV(k) of the Standing Rules of the Senate; and by additional authorizing resolutions of the Senate. See Section II, “Committee Jurisdiction,” for details.

Senator Carper was Chairman of the Committee during the 113th Congress; Senator Coburn was the Ranking Member.

Major activities of the Committee during the 113th Congress included investigations, oversight, and legislation involving strengthening our nation’s critical infrastructure facilities, cybersecurity, and borders; Postal Service reform; increasing transparency into government spending; and curbing waste, fraud, and abuse in government programs. Discussion of these major activities appears in Section I below; additional information on these and other measures appears in Section VII, “Legislative Actions.”

Extensive information about the Committee’s history, hearings, legislation, documents, Subcommittees, and other matters is available at the Web site, <http://hsgac.senate.gov/>.

I. HIGHLIGHTS OF ACTIVITIES

During the 113th Congress, the Homeland Security and Governmental Affairs Committee (“the Committee” or “HSGAC”) worked to address critical issues facing our Nation and Federal agencies. Through oversight and legislation, the Committee worked to bolster the effectiveness and efficiency of the Federal Government, in ways such as protecting our critical infrastructure from cyber attacks, securing our Nation’s chemical facilities, reducing wasteful and

fraudulent spending, and getting better results from Federal programs.

The 9/11 terrorist attacks prompted one of the greatest reorganizations the Federal Government has seen since World War II and brought to light a number of vulnerabilities that our Nation faces both domestically and abroad. Recent threats from cyber attacks to the Boston Marathon Bombings to the rise of the violent extremists, including the Islamic State of Iraq and Syria (ISIS), show that threats to our Nation continue to evolve and underscore that our homeland security needs to evolve with it. In response to the evolving threats, the Committee prioritized homeland security legislation and oversight to bolster the Department of Homeland Security, to strengthen our Nation's critical infrastructure facilities, cybersecurity, and borders, and to ensure that the men and women who keep us safe receive the support, resources, and authorities needed to protect Americans and our country.

Much of the Committee's efforts on governmental affairs issues centered on working to reform and modernize the U.S. Postal Service, including through Committee passage of a bill offering solutions to this American institution's financial crisis. Further, an overarching goal of the Committee's government affairs agenda this Congress was working on a strong bipartisan basis to drive agencies to deliver better results for less money in their Federal programs. Through leveraging the work of the Government Accountability Office (GAO) and agency Inspectors General, the Committee passed a number of pieces of legislation to make strides in that effort, including legislation to curb waste, fraud and abuse in government programs, provide greater transparency into government spending, strengthen programs against improper payments, and improve the government's multi-billion dollar information technology (IT) portfolio management.

HOMELAND SECURITY

As the Department of Homeland Security ("the Department" or "DHS") celebrated its 10 year anniversary in 2013, Chairman Carper and Ranking Member Coburn conducted a top to bottom review of the Department to help ensure it was effectively and efficiently accomplishing its missions. As part of this review the Committee held several oversight hearings including "DHS at 10 Years: A Progress Report on Management," "DHS at 10 Years: Harnessing Science and Technology to Protect National Security and Enhance Government Efficiency," and "DHS at 10 Years: Examining Challenges and Achievements and Addressing Emerging Threats." This review helped inform the Committee's legislative and oversight work for this Congress.

The Committee also conducted several briefings and hearings to examine evolving threats to the Homeland, including cybersecurity, terrorism, and radiological materials.

A. CYBERSECURITY

In the 113th Congress, the Committee continued its focus on cybersecurity. Following President Obama's 2013 Executive Order regarding cybersecurity which put in motion the creation of an industry driven framework for voluntary cybersecurity standards, the

Committee did careful oversight and worked to develop bipartisan cybersecurity legislation. By the end of the 113th Congress, the Committee had worked with its House counterparts to pass into law four critical bills to strengthen our national and economic security by modernizing our Nation's cybersecurity and strengthening the Department of Homeland Security's cyber work force.

At the beginning of the 113th Congress, the Committee held a joint cybersecurity hearing with the Senate Commerce, Science, and Technology Committee, entitled "The Cybersecurity Partnership Between the Private Sector and Our Government: Protecting Our National and Economic Security." This was the first joint hearing with the Homeland Security and Governmental Affairs Committee (as well as its predecessor committee—the Governmental Affairs Committee) and the Senate Committee on Commerce, Science, and Transportation in over 35 years. The Committee continued to examine the evolving issue of cybersecurity through several other hearings, including "Strengthening Public-Private Partnerships to Reduce Cyber Risks to Our Nation's Critical Infrastructure," and "Data Breach on the Rise: Protecting Personal Information from Harm." Cybersecurity was also discussed at several briefings and hearings focused on evolving threats, including "Cybersecurity, Terrorism, and Beyond: Addressing Evolving Threats to the Homeland."

In December 2014, Congress passed and the President signed into law four cybersecurity bills which were top priorities of the Committee. The Federal Information Security Modernization Act of 2014, P.L. 113–283, updates the Federal Information Security Management Act of 2002 to better protect Federal agencies from cyber attacks. The National Cybersecurity Protection Act of 2014, P.L. 113–282, codifies the existing National Cybersecurity and Communications Integration Center at the Department of Homeland Security and the Center's existing cybersecurity responsibilities. The DHS Cybersecurity Workforce Recruitment and Retention Act of 2014, passed out of Committee and enacted into law as part of the Border Patrol Agent Pay Reform Act of 2013, P.L. 113–277, helps the Department hire and retain cybersecurity professionals by providing the Department with personnel authorities similar to those of the Secretary of Defense. The Cybersecurity Workforce Assessment Act, P.L. 113–246, strengthens the Department of Homeland Security's cybersecurity work force by requiring the Secretary of Homeland Security to assess the cybersecurity workforce of DHS and develop a strategy to enhance the department's ability to protect our Nation from cyber-attacks.

Following the announcement of major data breaches at the Office Personnel Management and a Federal contractor responsible for processing security clearances, the Committee worked in bipartisan fashion through letters and briefings to better understand how the data breaches potentially exposed the personal information of tens of thousands of Federal employees and jeopardized the security clearance process. The Committee's oversight helped ensure steps were taken to better secure the information obtained through the security clearance process and that Federal agencies were working closely with personnel impacted by the breaches.

B. IMMIGRATION AND BORDER SECURITY

The Committee continued to be an active and important participant in the broad debate on comprehensive immigration reform legislation during the 113th Congress. The Committee conducted robust oversight in this area through a series of hearings on border security, beginning with hearings on the State of border security: “Border Security: Measuring the Progress and Addressing the Challenges,” and “Border Security: Frontline Perspectives on Progress and Remaining Challenges.” The Committee then held a hearing specifically on legislative language regarding border security within the comprehensive immigration reform legislation being considered in the Judiciary Committee: “Examining Provisions in the Border Security, Economic Opportunity, and Immigration Modernization Act (S. 744).” During these hearings, various witnesses discussed the large investments made by the Federal Government in securing the northern and southern borders and noted that the border was more secure than it had ever been in the past though challenges still remain.

In June 2013, the Senate began debate on the comprehensive immigration reform legislation, S. 744. The legislation was ultimately approved by the Senate with a bipartisan vote of 68–32. Notably, the bill included two amendments offered by the Chairman. The first amendment (Amdt. 1273) would authorize a pilot program to notify visa holders on the looming expiration of their visas. The second amendment (Amdt. 1408) would require the Department of State and the Department of Homeland Security to provide training and material assistance to border and law enforcement officials in Mexico and Central America in order to help them operate more effectively. This amendment would also create a “truth campaign” aimed at disseminating educational materials to would-be migrants about the perils of the journey across Mexico.

In addition to its work on S. 744, the Committee examined other challenges associated with border security and the Nation’s ports of entry. For example, in response to the surge of unaccompanied minors and families apprehended along the southwest border in the spring and summer of 2014, the Committee studied the humanitarian crisis with a series of hearings to examine the factors driving the historic surge of Central Americans arriving at the border, and in many cases seeking asylum, as well as the government response. The hearings included: “Challenges at the Border: Examining the Causes, Consequences, and Responses to the Rise in Apprehensions at the Southern Border,” and “Challenges at the Border: Examining and Addressing the Root Causes Behind the Rise in Apprehensions at the Southern Border.” As part of the Committee’s oversight agenda on this issue and border security more broadly, Chairman Carper went on six congressional delegation trips to examine the northern and southern borders as well as Mexico, Guatemala, El Salvador, and Honduras.

The Committee also addressed concerns about the misuse of Administratively Uncontrollable Overtime at Customs and Border Protection. The Committee approved and helped to enact The Border Patrol Agent Pay Reform Act of 2013 (S. 1691), P.L. 113–277, which simplifies the current pay system for Border Patrol agents, addresses concerns about the misuse of Administratively Uncon-

trollable Overtime, and saves taxpayers more than \$100 million a year. At the same time, the bill adds more than two million hours of border enforcement by frontline agents—the equivalent of adding 1,500 agents to patrol our Nation’s land borders. The Committee held hearings to examine this issue more closely, including: “Examining the Use and Abuse of Administratively Uncontrollable Overtime at the Department of Homeland Security,” held before the Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce, and “Examining the Implications of S. 1691, the Border Patrol Agent Pay Reform Act of 2013,” held by the full Committee.

C. CHEMICAL SECURITY

The Committee conducted a variety of oversight activities on the Chemical Facility Anti-Terrorism Standards (CFATS) program at the Department of Homeland Security, including holding a hearing, “Charting a Path Forward for the Chemical Facilities Anti-Terrorism Standards Program”, and multiple briefings. This robust oversight helped inform the CFATS reauthorization legislation drafted by the Committee and passed by Congress. The Chemical Facility Anti-Terrorism Standards Program Authorization and Accountability Act of 2014, now P.L. 113–254, reauthorizes the CFATS program within the Department and implements a series of important changes to make the program more efficient and effective. Specifically, the law reauthorizes the CFATS program for 4 years, establishes a voluntary new expedited approval procedure for site security plans for certain chemical facilities, improves aspects of information sharing with State and local officials, and enhances the Department’s ability to identify high-risk chemical facilities that otherwise go unmonitored.

D. DEPARTMENT OF HOMELAND SECURITY MANAGEMENT AND OVERSIGHT

Throughout the 113th Congress, the Committee examined and looked for ways to improve the management, efficiency and effectiveness of the Department and its various components. The Committee focused on streamlining management decisions, increasing collaboration among agency components, filling key Department leadership vacancies, building a more unified Department, and finding ways to improve Department-wide employee morale.

The Committee conducted significant oversight on the Department’s financial management, specifically on the Department’s ability to obtain a clean financial audit, through hearings, letters, and multiple briefings. In 2013, the Department obtained its first clean audit and repeated this important accomplishment in 2014. Additionally, the Committee engaged on a regular basis with senior officials of the Department, the Office of Inspector General of the Department, and subject matter experts at the Government Accountability Office to discuss progress and challenges in the Department’s management of acquisitions, human capital, information technology and financial systems.

Another priority for the Committee during the 113th Congress was confirming individuals to fill the many vacancies in the senior leadership at the Department of Homeland Security, including: Jeh

Johnson, Secretary; Alejandro Mayorkas, Deputy Secretary; Suzanne Spaulding, Under Secretary; L. Reginald Brothers, Jr., Under Secretary for Science and Technology; Joseph Nimmich, Deputy Administrator, Federal Emergency Management Agency; Sarah Saldana, Assistant Secretary, Immigration and Customs Enforcement; and John Roth, Inspector General. As part of the Committee's ongoing efforts to oversee Department management, Chairman Carper attended a roundtable to discuss low worker morale and supported undertakings to foster unity of effort throughout the Department.

Chairman Carper's Majority Committee Staff produced a staff report, entitled "Security and Savings: The Importance of Consolidating the Department of Homeland Security's Headquarters at St. Elizabeths." This report found that the Department's consolidation at the St. Elizabeths campus will improve the Department's ability to carry out its mission, while saving the taxpayer money. Specifically, consolidation would foster unity of effort, improve morale and productivity, reduce management challenges and travel inefficiencies, improve crisis management, and save the Federal Government approximately \$1 billion over the next 30 years. The report drew its findings from interviews with the Department's former Secretaries Tom Ridge, Michael Chertoff, and Janet Napolitano, other top former Department officials, agency documents, and independent analysis.

E. PREPAREDNESS

As part of its Federal emergency management oversight, the Committee continued to explore different cases to assess and examine how prepared the Federal Government is to respond to disasters, both natural and man-made, and what it needs to do to improve.

Following the April 15, 2013 bombings at the Boston Marathon, the Committee conducted oversight through letters, hearings, and briefings to examine the response to the bombings, coordination after the event, intelligence and information sharing among agencies, and what could be improved to prevent another lone wolf terrorist attack. The Committee held a series of two hearings on the incident: "Lessons Learned from the Boston Marathon Bombing: Improving Intelligence and Information Sharing" and "Lessons Learned from the Boston Marathon Bombings: Preparing for and Responding to the Attack." The oversight provided by Congress on the Boston Marathon resulted in a number of counterterrorism improvements across multiple Federal agencies.

Following the addition of the risk and costs associated with climate change and extreme weather on the Government Accountability Office's High Risk List in 2013, the Committee held a hearing entitled, "Extreme Weather Events: The Costs of Not Being Prepared." The Ebola epidemic in summer 2014 in West Africa prompted the Committee to hold the hearing, "Preparedness and Response to Public Health Threats: How Ready Are We?", which examined Ebola and other health threats. The Committee also held a hearing examining lessons learned from the Hurricane Sandy response entitled "Hurricane Sandy: Getting the Recovery Right and the Value of Mitigation."

GOVERNMENT AFFAIRS

A. LEADERSHIP

The Committee moved several key nominations to senior positions in the executive branch responsible for government management: Sylvia Mathews Burwell, Director, Office of Management and Budget; Shaun L. S. Donovan, Director, Office of Management and Budget; Brian C. Deese, Deputy Director, Office of Management and Budget; Beth F. Cobert, Deputy Director for Management, Office of Management and Budget; David Mader, Controller, Office of Management and Budget; Anne E. Rung, Administrator for Federal Procurement Policy, Office of Management and Budget; Howard Shelanski, Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget; Katherine Archuleta, Director, Office of Personnel Management; Daniel M. Tangherlini, Administrator of the General Services Administration; and John H. Thompson, Director of the Census, U.S. Department of Commerce. In moving these nominations expeditiously, Chairman Carper underscored strong leadership as the key to success of any organization, including the Federal Government.

B. CURBING IMPROPER PAYMENTS, WASTE, AND FRAUD

The Committee continued its oversight and efforts to better identify and reduce improper payments across the Federal Government. The Improper Payments Agency Cooperation Enhancement (IPACE) Act of 2013 (S. 1360), which passed the Senate, would direct the Commissioner of Social Security to provide information on all deceased individuals that is furnished to or maintained by the Commissioner to Federal or State agencies in order to reduce improper payments and to administer programs more efficiently.

In addition to sponsoring the IPACE Act, Chairman Carper and Ranking Member Coburn testified before House Oversight and Government Reform Committee hearing entitled “Waste in Government: What’s Being Done?”. The Committee sent multiple letters to the executive branch and conducted a review of implementation of improper payments legislation across the government. The Committee also sent numerous letters to the executive branch calling attention to Medicare prescription drug fraud and highlighting promising methods of improved oversight of Medicare and Medicaid, including Recovery Act Contracting. Additionally, the Committee held three hearings related to waste, fraud and abuse, “Curbing Prescription Drug Abuse in Medicare”, “Curbing Federal Agency Waste and Fraud: New Steps to Strengthen the Integrity of Federal Payments”, and “Social Security Disability Benefits: Did a Group of Judges, Doctors, and Lawyers Abuse Programs for the Country’s Most Vulnerable?”.

C. INSPECTORS GENERAL

The Committee began the 113th Congress with a letter to President Obama urging him to fill Inspector General (IG) vacancies throughout the Federal Government. In addition, the Committee spent considerable time working with the IG community and the Administration on a range of issues. For example, the Committee opened a productive conversation with the IG community and other

members of the Council of the Inspectors General on Integrity and Efficiency to discuss ways to expedite and otherwise improve the process for investigating allegations against IGs and other top officials in IG offices.

The Committee helped to enact the OPM IG Act (H.R. 2860), now P.L. 113–80. This law authorizes the use of funding from the Office of Personnel Management (OPM) revolving fund to pay for audits and investigations by the Inspector General of OPM. This will allow the OPM IG to conduct important oversight of the activities funded by the revolving fund, which include the conduct of background investigations of Federal employees and contractors. The Senate version of this legislation, S. 1276, the Security Clearance Oversight and Reform Enhancement Act, was reported favorably out of committee and passed the Senate.

The Committee also took legislative action to help the Inspector General's Office at the Department of Homeland Security operate more effectively and efficiently. The Committee approved the DHS OIG Mandates Revision Act of 2014 (S. 2651), P.L. 113–284, which eliminated a number of unnecessary and duplicative congressional mandated audits performed by the Office of Inspector General of the Department of Homeland Security.

D. FEDERAL WORKFORCE

The Committee successfully helped to enact the All Circuit Review Extension Act (H.R. 4197), P.L. 113–170. This law strengthens the protection of Federal-employee whistleblowers who suffer retaliation, by extending for an additional 3 years the ability of these whistleblowers to appeal their case to any Federal circuit court of appeals, rather than being limited to the Federal Court of Appeals for the Federal Circuit. The committee also successfully helped to enact the Smart Savings Act (H.R. 4193), P.L. 113–255, which was the House companion to S. 2117. This new law will help Federal employees save for retirement in the Thrift Savings Plan (TSP) by investing the employee's TSP funds, by default, in an age-appropriate target-date asset-allocation investment fund (L Fund), instead of the Government Securities Investment Fund (G Fund), if the employee makes no election.

E. SECURITY CLEARANCE PROCESSES

The Committee conducted extensive oversight of the government's security clearance processes in response to a series of incidents—the leak of military information to Wikileaks by Pfc Bradley Manning, the leaks of classified information by Edward Snowden, the Washington Navy Yard shooting by Aaron Alexis, and allegations of massive fraud in the conduct of background investigations by OPM's contractor USIS. In response to the September 2013 shooting at the Washington Navy Yard, the Committee held two hearings, “The Navy Yard Tragedy: Examining Government Clearances and Background Checks” and “Examining Physical Security for Federal Facilities.”

Following the Navy Yard shooting, President Obama called for an interagency review of clearances processes. The inter-agency recommendations to the President from this review were released in March 2014. The Committee hosted several briefings by the

interagency team, chaired by Office of Management and Budget, that managed the President's review. The Committee also reported three bills to improve the security clearance process: the Security Clearance Accountability, Reform and Enhancement Act (S. 1744), the Enhanced Security Clearance Act of 2014 (S. 1618), and the Preventing Conflicts of Interest with Contractors Act (S. 2061). These bills would have, respectively, required random checks of security clearance holders, ensured that Federal employees or contractors who undermine the security clearance process are banned from further work related to that process, and prohibited contractors who perform background investigations from doing the final quality review of their own work. While these bills were not enacted, their consideration by Congress helped keep pressure on the ongoing interagency reform efforts.

F. FEDERAL PROPERTY

The Committee conducted extensive oversight to examine and implement ways to improve the management of the Federal Government's real property portfolio, including the activities of agencies and the Federal Real Property Council, which helped inform the Chairman's legislation, the Federal Real Property Asset Management Reform Act (S. 1398). The bill would codify the responsibilities of the Federal Real Property Council and require agencies to take steps to improve the management of property. In addition, the bill would establish a pilot program for expedited disposal of real property. While the bill did not pass, the Committee's oversight continued to highlight the need for improvements in this area. These efforts helped give force to President Obama's drive to reduce the Federal footprint of government office space, resulting in a reduction of 10.2 million square feet in 2013.

G. INFORMATION TECHNOLOGY MANAGEMENT

The Committee passed key pieces of legislation that will modernize and update the Federal Government's management of its massive information technology (IT) portfolio. FITARA, which was included in the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (H.R. 3979), P.L. 113-291, strengthens the authorities of agency Chief Financial Officers and improves transparency and oversight over Federal IT projects. This bill also includes the language of S. 1611, the Federal Data Center Consolidation Act of 2013, which was reported out of the Committee and passed the Senate. The Committee also held two hearings to examine the acquisition and management of IT programs and projects: "Identifying Critical Factors for Success in Information Technology Acquisitions" and "Reducing Duplication and Improving Outcomes in Federal Information Technology."

H. GOVERNMENT MANAGEMENT AND EFFICIENCY

Throughout the 113th Congress, the Committee made it a top priority to help ensure that the Federal Government develop and maintain a wiser and more effective management strategy and to make Federal agencies operate more efficiently.

In a hearing, "The Costs and Impacts of Crisis Governing," the Committee examined the effects of stop-gap continuing resolutions

and government shut downs, both of which happened during the 113th Congress. The Committee also focused on updating and modernizing the Federal Government's overall management strategy in a two-part hearing series: "Management Matters: Creating a 21st Century Government." The Committee also approved the Government Reports Elimination Act of 2014 (H.R. 4194), now P.L. 113-188, to improve government efficiency by eliminating requirements for agencies to produce over fifty reports that are no longer needed.

I. FEDERAL PROCUREMENT

The Committee focused on ways to help the Federal Government save billions of dollars each year through better procurement practices. For example, the Committee held the hearing, "Strategic Sourcing: Leveraging the Government's Buying Power to Save Billions." Additionally, oversight in this area laid the groundwork for a provision within the Federal Information Technology Acquisition Reform Act (FITARA), which includes a provision requiring agencies to produce an analysis justifying any decision to use contracts other than those available under the Federal Strategic Sourcing Initiative when goods and services are available under the Initiative. Committee staff also received regular briefs on efforts to achieve better results in Federal contracting from the Office of Federal Procurement Policy, the General Services Administration, and the Defense Contract Audit Agency.

The Committee also held a hearing entitled "The Intelligence Community: Keeping Watch Over Its Contractor Workforce." This hearing was convened in response to a Government Accountability Report entitled, "The Civilian Intelligence Community: Additional Actions Needed to Improve Reporting on and Planning for Use of Contract Personnel" (GAO-14-204). The hearing highlighted the need for the intelligence community to track work performed by contractors and costs associated with the contractor work force, and to analyze whether work being performed by contractors should be performed instead by Federal employees.

The Committee also approved the Never Contract with the Enemy Act (S. 675), which was signed into law as part of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (H.R. 3979), P.L. 113-291. This legislation provides a streamlined process for cutting off government contracts or grants that flow to persons who actively oppose U.S. forces who are engaged in hostilities.

J. DEPARTMENT OF DEFENSE FINANCIAL PRACTICES AND IMPROVED MANAGEMENT

The Committee held the hearing, "Improving Financial Management at the Department of Defense" to examine challenges still facing the Department of Defense (DOD) in achieving auditability and sent oversight letters to senior DOD leaders to emphasize the importance of sound financial management. While the Department has made some notable progress in improving financial management, the Committee's oversight has highlighted that DOD has a long road to travel for the Department to become fully auditable by the 2017 deadline. The Committee also sent oversight letters re-

lated to management of DOD ammunition, the return of vehicles from Afghanistan, and DOD overstock of inventory.

K. GRANTS MANAGEMENT

The Committee continued its oversight of governmentwide grants management in order to ease the administrative burden for those applying for and receiving grants, and to ensure that recipients are good stewards of Federal funds. Attention to this issue prompted the Office of Management and Budget to release new guidance in December 2013 to ease administrative burdens and curb waste and fraud in grants. The Committee continued its oversight in 2014 to evaluate the new guidance and its implementation.

L. CENSUS

The Committee pressed the Census Bureau throughout the 113th Congress to learn from and act on the lessons from the technology problems and cost overruns of the 2010 Decennial Census. The Committee sent a detailed oversight letter to the Director of the Census Bureau expressing concern about preparations for the 2020 Decennial Census, including the Bureau's testing and research for the September 2015 design decision.

M. DISTRICT OF COLUMBIA

The Committee convened the hearing, "Equality for the District of Columbia: Discussing the Implications of S. 132, the New Columbia Admission Act of 2013", to examine Statehood proposals for the District of Columbia and the lack of voting representation for the District in Congress, reinvigorating discussion of the ongoing difficulties for the District that result from its unique status. The Chairman also pushed for confirmation of judges to the D.C. Superior Court and wrote letters to the Appropriations Committee advocating legislative and budget autonomy for the District. This advocacy helped secure language in the omnibus appropriations bills for fiscal years 2014 and 2015 that will allow the District to continue to spend its local funds into 2016 in the event of a Federal Government shutdown.

Finally, the Committee helped enact several bills involving District of Columbia issues, including: (1) H.R. 1246, the District of Columbia Chief Financial Officer Vacancy Act, P.L. 113–8; (2) H.R. 3343, a bill to amend the District of Columbia Home Rule Act to clarify the rules regarding the determination of the compensation of the Chief Financial Officer of the District of Columbia, P.L. 113–71; and (3) H.R. 4192, a bill to amend the Act entitled "An Act to regulate the height of buildings in the District of Columbia" to clarify the rules of the District of Columbia regarding human occupancy of penthouses above the top story of the building upon which the penthouse is placed, P. L. 113–103.

II. COMMITTEE JURISDICTION

The jurisdiction of the Committee (which was renamed the Committee on Homeland Security and Governmental Affairs when the 109th Congress convened) derives from the Rules of the Senate and Senate Resolutions:

RULE XXV

* * * * *

(k)(1) Committee on Governmental Affairs, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Archives of the United States.
2. Budget and accounting measures, other than appropriations, except as provided in the Congressional Budget Act of 1974.
3. Census and collection of statistics, including economic and social statistics.
4. Congressional organization, except for any part of the matter that amends the rules or orders of the Senate.
5. Federal Civil Service.
6. Government information.
7. Intergovernmental relations.
8. Municipal affairs of the District of Columbia, except appropriations therefore.
9. Organization and management of United States nuclear export policy.
10. Organization and reorganization of the executive branch of the Government.
11. Postal Service.
12. Status of officers and employees of the United States, including their classification, compensation, and benefits.

(2) Such committee shall have the duty of—

(A) receiving and examining reports of the Comptroller General of the United States and of submitting such recommendations to the Senate as it deems necessary or desirable in connection with the subject matter of such reports;

(B) studying the efficiency, economy, and effectiveness of all agencies and departments of the Government;

(C) evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government; and

(D) studying the intergovernmental relationships between the United States and the States and municipalities, and between the United States and international organizations of which the United States is a member.

SENATE RESOLUTION 253, 113TH CONGRESS

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS.

Sec. 12. (a) * * *

* * * * *

(d) INVESTIGATIONS—

(1) IN GENERAL.—The committee, or any duly authorized subcommittee of the committee, is authorized to study or investigate—

(A) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions,

contracts, and, activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public;

(B) the extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(C) organized criminal activity which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions and the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activity have infiltrated lawful business enterprise, and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against such practices or activities;

(D) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety; including but not limited to investment fraud schemes, commodity and security fraud, computer fraud, and the use of offshore banking and corporate facilities to carry out criminal objectives;

(E) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(i) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(ii) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge and talents;

(iii) the adequacy of present intergovernmental relations between the United States and international organizations principally concerned with national security of which the United States is a member; and

(iv) legislative and other proposals to improve these methods, processes, and relationships;

(F) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(i) the collection and dissemination of accurate statistics on fuel demand and supply;

(ii) the implementation of effective energy conservation measures;

- (iii) the pricing of energy in all forms;
- (iv) coordination of energy programs with State and local government;
- (v) control of exports of scarce fuels;
- (vi) the management of tax, import, pricing, and other policies affecting energy supplies;
- (vii) maintenance of the independent sector of the petroleum industry as a strong competitive force;
- (viii) the allocation of fuels in short supply by public and private entities;
- (ix) the management of energy supplies owned or controlled by the Government;
- (x) relations with other oil producing and consuming countries;
- (xi) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and
- (xii) research into the discovery and development of alternative energy supplies; and

(G) the efficiency and economy of all branches and functions of Government with particular references to the operations and management of Federal regulatory policies and programs.

(2) EXTENT OF INQUIRIES.—In carrying out the duties provided in paragraph (1), the inquiries of this committee or any subcommittee of the committee shall not be construed to be limited to the records, functions, and operations of any particular branch of the Government and may extend to the records and activities of any persons, corporation, or other entity.

(3) SPECIAL COMMITTEE AUTHORITY.—For the purposes of this subsection, the committee, or any duly authorized subcommittee of the committee, or its chairman, or any other member of the committee or subcommittee designated by the chairman is authorized, in its, his or her, or their discretion——

(A) to require by subpoena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents;

(B) to hold hearings;

(C) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate;

(D) to administer oaths; and

(E) to take testimony, either orally or by sworn statement, or, in the case of staff members of the Committee and the Permanent Subcommittee on Investigations, by deposition in accordance with the Committee Rules of Procedure.

(4) AUTHORITY OF OTHER COMMITTEES.—Nothing contained in this subsection shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946.

(5) SUBPOENA AUTHORITY.—All subpoenas and related legal processes of the committee and its subcommittee authorized under S. Res. 64, agreed to March 5, 2013 (113th Congress) are authorized to continue.

III. BILLS AND RESOLUTIONS REFERRED AND CONSIDERED

During the 113th Congress, 173 Senate bills and 87 House bills were referred to the Committee for consideration. In addition, 4 Senate Resolutions and 1 Senate Concurrent Resolutions were referred to the Committee.

The Committee reported 69 bills; an additional 15 measures were discharged.

Of the legislation received by the Committee, 40 measures became public laws, including 33 postal naming bills.

IV. HEARINGS

During the 113th Congress, the Committee held 70 hearings on legislation, oversight issues, and nominations. Hearing titles and dates follow.

The Committee also held 18 scheduled business meetings.

Lists of hearings with copies of statements by Members and witnesses, with archives going back to 1997, are online at the Committee's Web site, <http://hsgac.senate.gov/>.

Solutions to the Crisis Facing the U.S. Postal Service. February 13, 2013. (S. Hrg. 113–18)

The purpose of this three-panel hearing was to examine the financial and other challenges facing the Postal Service and proposals that have been put forward to address those challenges, including proposals made by the management of the Postal Service and legislative proposals that have been or are being considered in Congress. The Committee was also interested in the witnesses' assessments of the implications if Congress does not enact postal reform legislation.

Witnesses: Panel I: Hon. Darrell E. Issa, U.S. House of Representatives; and Hon. Elijah E. Cummings, U.S. House of Representatives. Panel II: Hon. Patrick R. Donahoe, Postmaster General and Chief Executive Officer, U.S. Postal Service; and Hon. Eugene L. Dodaro, Comptroller General of the United States, U.S. Government Accountability Office. Panel III: Cliff Guffey, President, American Postal Workers Union; Jeanette P. Dwyer, President, National Rural Letter Carriers' Association; Robert J. Rapoza, President, National Association of Postmasters of the United States; Joel Quadracci, Chairman, President, and Chief Executive Officer, Quad/Graphics, Inc.; and R. Richard Geddes, Ph.D., Associate Professor, Department of Policy Analysis and Management, Cornell University.

The Cybersecurity Partnership Between the Private Sector and Our Government: Protecting Our National and Economic Security. March 7, 2013. (S. Hrg. 113–295)

The purpose of this two-panel hearing, held jointly with the Senate Committee on Commerce, Science, and Transportation, was to examine the cybersecurity partnership between the Federal Government and the private sector, as well as the Cybersecurity Framework and other provisions outlined in the Executive Order issued by President Obama on February 12, 2013. The witnesses addressed the Federal Government's progress in designing and implementing risk-based Federal and critical infrastructure programs,

as well as concerns about detecting, responding to, and mitigating cyber incidents in both the public and private sector.

Witnesses: Panel I: Hon. Janet A. Napolitano, Secretary, U.S. Department of Homeland Security; and Hon. Patrick D. Gallagher, Under Secretary for Standards and Technology, U.S. Department of Commerce. Panel II: Gregory C. Wilshusen, Director, Information Security Issues, U.S. Government Accountability Office; and David E. Kepler, Chief Sustainability Officer, Chief Information Officer, Business Services and Executive Vice President, The Dow Chemical Company.

The Costs and Impacts of Crisis Budgeting. March 13, 2013. (S. Hrg. 113–25)

The purpose of this single-panel hearing was to examine the fiscal and operational impacts of chronic Federal budget uncertainty on agency operations and management. Further, the hearing explored the cascading effects of this uncertainty on state and local governments, Federal employee morale, and the economy at large.

Witnesses: Philip G. Joyce, Ph.D., Professor of Management, Finance, and Leadership, School of Public Policy, University of Maryland; Scott D. Pattison, Executive Director, National Association of State Budget Officers; Colleen M. Kelley, National President, National Treasury Employees Union; and Stan Z. Soloway, President and Chief Executive Officer, Professional Services Council.

Border Security: Measuring the Progress and Addressing the Challenges. March 14, 2013. (S. Hrg. 113–254)

This single-panel hearing was the first in a series. The purpose was to examine the progress that has been made over the past decade toward securing the border and to explore what challenges remain to be addressed. The witnesses were asked to discuss the amount of resources that our nation has devoted to securing our borders, the results of those investments, as well as how border security fits into our overall immigration picture and the need for reforms. Additionally, they addressed concerns over what metrics should be used to gauge effectiveness at the border.

Witnesses: Hon. Doris Meissner, Senior Fellow and Director, U.S. Immigration Policy Program, Migration Policy Institute; Edward Alden, Bernard L. Schwartz Senior Fellow, Council on Foreign Relations; and David A. Shirk, Ph.D., Director, Trans-Border Institute, University of San Diego.

Hurricane Sandy: Getting the Recovery Right and the Value of Mitigation. March 20, 2013. (S. Hrg. 113–435)

This single-panel hearing examined the ongoing recovery from Hurricane Sandy. Testimony focused on how well Federal officials are supporting and coordinating recovery efforts, including through the Hurricane Sandy Rebuilding Task Force; what Federal, state, and local officials are doing to ensure that disaster funds are coordinated and well spent; and debris removal efforts, which included a discussion of how it is being handled in New Jersey and New York. Additionally, the witnesses discussed the value of mitigation, including prior mitigation efforts in areas affected in Hurricane Sandy, and the importance of incorporating smart mitigation measures early into the Hurricane Sandy rebuilding process.

Witnesses: Hon. W. Craig Fugate, Administrator, Federal Emergency Management Agency, U.S. Department of Homeland Security; Hon. Shaun L.S. Donovan, Secretary, U.S. Department of Housing and Urban Development; and Hon. Jo-Ellen Darcy, Assistant Secretary for Civil Works, U.S. Department of the Army.

The Department of Homeland Security at 10 Years: A Progress Report on Management. March 21, 2013. (S. Hrg. 113–296)

This two-panel hearing was the first in a series marking the tenth anniversary of the Department of Homeland Security (DHS). The purpose was to examine the progress that DHS has made and the challenges that remain in improving the management of the department. The committee heard from the witnesses on the evolution of management in the department, the discussion of DHS management in the 2013 “High Risk” report issued by the Government Accountability Office (GAO), and the major management challenges still facing the department. Additionally, the witnesses provided their views on the relationship between the department’s homeland security missions and its ability to execute the critical functions identified by GAO, such as acquisitions, human capital, information technology, and financial management.

Witnesses: Panel I: Hon. Jane Holl Lute, Deputy Secretary, U.S. Department of Homeland Security; and Hon. Eugene L. Dodaro, Comptroller General of the United States, U.S. Government Accountability Office, accompanied by Cathleen A. Berrick, Managing Director, Homeland Security and Justice Issues. Panel II: Hon. Elaine C. Duke, Former Under Secretary for Management of the U.S. Department of Homeland Security; Hon. Richard L. Skinner, Former Inspector General of the U.S. Department of Homeland Security; and Shawn Reese, Analyst in Emergency Management and Homeland Security Policy, Congressional Research Service, Library of Congress.

Nomination of the Honorable Sylvia M. Burwell to be Director, Office of Management and Budget. April 9, 2013. (S. Hrg. 113–63)

This one-panel hearing considered the nomination of the Honorable Sylvia M. Burwell to be Director, Office of Management and Budget. The nominee was introduced by Sen. John D. Rockefeller IV.

Border Security: Frontline Perspectives on Progress and Remaining Challenges. April 10, 2013. (S. Hrg. 113–254)

This single-panel hearing was the second in a series. The purpose was to examine the progress being made in securing the border, how this progress can best be measured, and the challenges we continue to face. The witnesses discussed how their agencies’ efforts to investigate immigration and customs law violations have progressed and evolved over the past decade, the challenges front-line personnel are facing today, and how their offices measure progress and effectiveness.

Witnesses: Kevin K. McAleenan, Acting Deputy Commissioner, U.S. Customs and Border Protection, U.S. Department of Homeland Security; Michael J. Fisher, Chief, U.S. Border Patrol, U.S. Customs and Border Protection, U.S. Department of Homeland Se-

curity; Randolph D. Alles, Assistant Commissioner, Office of Air and Marine, U.S. Customs and Border Protection, U.S. Department of Homeland Security; and James A. Dinkins, Executive Associate Director, Homeland Security Investigations, U.S. Immigration and Customs Enforcement, U.S. Department of Homeland Security.

The Homeland Security Department's Budget Submission for Fiscal Year 2014. April 17, 2013. (S. Hrg. 113–158)

The purpose of this annual, one-panel hearing was to discuss the Department of Homeland Security (DHS) budget request for Fiscal Year 2014. Specifically, it examined how the DHS budget request meets the current and future homeland security needs of the nation.

Witness: Hon. Janet A. Napolitano, Secretary, Department of Homeland Security.

Border Security: Examining Provisions in the Border Security, Economic Opportunity, and Immigration Modernization Act (S. 744). May 7, 2013. (S. Hrg. 113–254)

This single-panel hearing was third in a series. The purpose of this hearing was to analyze the enforcement provisions of S. 744, the Border Security, Economic Opportunity, and Immigration Modernization Act. The witnesses' testimony focused on how different components of the Department of Homeland Security would be affected by this legislation.

Witnesses: Hon. David F. Heyman, Assistant Secretary for Policy, U.S. Department of Homeland Security; Kevin K. McAleenan, Acting Deputy Commissioner, U.S. Customs and Border Protection, U.S. Department of Homeland Security; Michael J. Fisher, Chief, U.S. Border Patrol, U.S. Customs and Border Protection, U.S. Department of Homeland Security; Daniel H. Ragsdale, Deputy Director, U.S. Immigration and Customs Enforcement, U.S. Department of Homeland Security; and Anne L. Richards, Assistant Inspector General, Office of Audits Office of Inspector General, U.S. Department of Homeland Security.

Curbing Federal Agency Waste and Fraud: New Steps to Strengthen the Integrity of Federal Payments. May 8, 2013. (S. Hrg. 113–114)

The purpose of this single-panel hearing was to examine the implementation of the Improper Payments Elimination and Recovery Improvement Act (P.L. 112–248), passed last Congress, which refined similar statutes addressing improper payments and furthered the goals of detecting and preventing waste and fraud. Additionally, the hearing explored potential next steps for similar initiatives, such as improving the accuracy and sharing of data to prevent improper payments to dead people.

Witnesses: Hon. Daniel I. Werfel, Controller, Office of Federal Financial Management, Office of Management and Budget; Hon. Patrick P. O'Carroll Jr., Inspector General, U.S. Social Security Administration; Richard L. Gregg, Fiscal Assistant Secretary, U.S. Department of the Treasury; Daniel Bertoni, Director of Education, Workforce, and Income Security Issues, U.S. Government Accountability Office; and Marianna LaCanfora, Acting Deputy Commis-

sioner for Retirement and Disability Policy, U.S. Social Security Administration.

Nomination of Brian C. Deese to be Deputy Director, Office of Management and Budget. May 13, 2013. (S. Hrg. 113–120)

This one-panel hearing considered the nomination of Brian C. Deese to be Deputy Director, Office of Management and Budget.

Nominations of Michael K. O’Keefe and Robert D. Okun to be Associate Judges, Superior Court of the District of Columbia. May 15, 2013. (S. Hrg. 113–74)

This single-panel hearing considered the nominations of Michael K. O’Keefe and Robert D. Okun to be Associate Judges, Superior Court of the District of Columbia. Mr. O’Keefe and Mr. Okun were introduced by Del. Eleanor Holmes Norton. Senator Mark Begich, Chairman of the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia, presided.

Performance Management and Congressional Oversight: 380 Recommendations to Reduce Overlap and Duplication to Make Washington More Efficient. May 22, 2013. (S. Hrg. 113–68)

This single-panel hearing examined the Government Accountability Office’s report titled “2013 Annual Report to Congress: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits,” which highlighted areas of fragmentation, overlap, and duplication throughout the Federal Government and made recommendations to both Congress and the Executive Branch agencies to address these problems. In addition to GAO’s report, the hearing also looked at tools Congress and agencies can use to address fragmentation, overlap, and duplication, including implementation of the Government Performance and Results Modernization Act of 2010.

Witnesses: Hon. Gene L. Dodaro, Comptroller General of the United States, U.S. Government Accountability Office, accompanied by Cathleen A. Berrick, Managing Director, Homeland Security and Justice Issues.

Reducing Duplication and Improving Outcomes in Federal Information Technology. June 11, 2013. (S. Hrg. 113–97)

The purpose of this single-panel hearing was to examine the Administration’s efforts to identify and eliminate areas of duplication and waste in Federal information technology (IT) and the role of agency Chief Information Officers (CIOs) in that process. The hearing also reviewed ongoing efforts to consolidate data centers, empower agency CIOs, and strengthen management of IT projects.

Witnesses: Steven L. VanRoekel, U.S. Chief Information Officer, Office of Management and Budget; Simon Szykman, Chief Information Officer, U.S. Department of Commerce; Frank Baitman, Chief Information Officer, U.S. Department of Health and Human Services; and David A. Powner, Director of Information Technology Management Issues, U.S. Government Accountability Office.

Nomination of Howard A. Shelanski to be the Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget. June 12, 2013. (S. Hrg. 113–207)

This one-panel hearing considered the nomination of Howard A. Shelanski to be the Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget.

Nomination of the Honorable Daniel M. Tangherlini to be the Administrator, U.S. General Services Administration. June 18, 2013. (S. Hrg. 113–124)

This one-panel hearing considered the nomination of the Honorable Daniel M. Tangherlini to be the Administrator, U.S. General Services Administration.

Curbing Prescription Drug Abuse in Medicare. June 24, 2013. (S. Hrg. 113–244)

The purpose of the single-panel hearing was to examine initiatives by the Administration to reduce the fraudulent diversion of prescription drugs from the Medicare program, as well as additional opportunities to improve oversight. The hearing also looked at opportunities for stronger coordination among Federal agencies, private sector entities, and others.

Witnesses: Joseph T. Rannazzisi, Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration, U.S. Department of Justice; Jonathan Blum, Acting Principal Deputy Administrator and Director of the Center for Medicare, Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services; Gary L. Cantrell, Deputy Inspector General for Investigations, Office of Inspector General, U.S. Department of Health and Human Services; Stuart E. Wright, Deputy Inspector General for Evaluation and Inspections, Office of Inspector General, U.S. Department of Health and Human Services; and Alanna Lavelle, Director of Special Investigations, WellPoint, Inc.

Nomination of John H. Thompson to be Director of the Census, U.S. Department of Commerce. July 9, 2013. (S. Hrg. 113–251)

This one-panel hearing considered the nomination of John H. Thompson to be Director of the Census, U.S. Department of Commerce. The nominee was introduced by Sen. Richard J. Durbin.

Lessons Learned from the Boston Marathon Bombings: Preparing for and Responding to the Attack. July 10, 2013. (S. Hrg. 113–226)

This one-panel hearing examined the preparedness for and response to the April 15th Boston Marathon attack. In particular the hearing looked at steps that Federal, state, and local officials took to prepare for terrorist attacks and what lessons could be learned from that response. Witnesses agreed that the city of Boston was well-prepared for the attack and that the response was excellent. However, they noted that more attention must be paid to helping the city cope with the long term recovery efforts that follow a disaster.

Witnesses: The Honorable Richard Serino, Deputy Administrator, Federal Emergency Management Agency, U.S. Department of Homeland Security; Kurt N. Schwartz, Undersecretary for Home-

land Security and Emergency Management, Executive Office of Public Safety and Security, The Commonwealth of Massachusetts; Edward F. Davis III, Commissioner, Boston Police Department, City of Boston; and Arthur L. Kellermann, M.D., Paul O'Neill Alcoa Chair in Policy Analysis, RAND Corporation.

Strategic Sourcing: Leveraging the Government's Buying Power to Save Billions. July 15, 2013. (S. Hrg. 113–208)

This one panel hearing examined efforts to expand strategic sourcing for goods and services throughout the Federal Government. Specifically, the witnesses discussed the primary benefits of strategic sourcing, the precise plans for future strategic sourcing vehicles, and performance metrics that are to be used to judge the success of the program. Witnesses also shared their views on impediments to agency use of strategic sourcing contracts, as well as lessons that the government could draw from the private sector on strategic sourcing.

Witnesses: Hon. Joseph G. Jordan, Administrator, Office of Federal Procurement Policy, Office of Management and Budget; Hon. Daniel M. Tangherlini, Administrator, U.S. General Services Administration; and Cristina T. Chaplain, Director, Acquisition and Sourcing Management, U.S. Government Accountability Office.

Nomination of Katherine Archuleta to be Director, Office of Personnel Management. July 16, 2013. (S. Hrg. 113–297)

This one-panel hearing considered the nomination Katherine Archuleta to be Director, Office of Personnel Management. The nominee was introduced by Sen. Mark Udall. Senator Jon Tester, Chairman of the Subcommittee on Efficiency and Effectiveness of Federal Programs and Federal Workforce, presided.

The Department of Homeland Security at 10 Years: Harnessing Science and Technology to Protect National Security and Enhance Government Efficiency. July 17, 2013. (S. Hrg. 113–296)

This one-panel hearing was the second in a series marking the tenth anniversary of the Department of Homeland Security (DHS). The hearing examined the role of the Science and Technology Directorate at the Department of Homeland Security and how the role has evolved over the past ten years. Witnesses addressed the Directorate's current duties, how these duties have changed over time, and how they believe the Directorate assists DHS and its components in carrying out their missions more efficiently and effectively. Additionally, witnesses discussed the Directorate's decision-making process in conducting research and development.

Witnesses: Hon. Tara J. O'Toole, Under Secretary for Science and Technology, U.S. Department of Homeland Security and David C. Maurer, Director, Homeland Security and Justice Issues, U.S. Government Accountability Office.

The 90/10 Rule: Improving Educational Outcomes for our Military and Veterans. July 23, 2013. (S. Hrg. 113–206)

This one-panel hearing examined practices put in place by the Veterans Administration to safeguard veteran and military students from questionable practices by some institutions of higher education. The hearing also assessed the current incentive struc-

ture for some propriety schools to enroll this student population and identified current initiatives to collect and make available data on educational outcomes.

Witnesses: Curtis L. Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration, U.S. Department of Veterans Affairs; Hollister K. Petraeus, Assistant Director, Office of Servicemember Affairs, Consumer Financial Protection Bureau; Hon. Steven C. Gunderson, President and Chief Executive Officer, Association of Private Sector Colleges and Universities; Tom Tarantino, Chief Policy Officer, Iraq and Afghanistan Veterans of America; Sergeant Christopher J. Pantzke, USA, (Ret.), Veteran.

Nomination of the Honorable Alejandro N. Mayorkas to be Deputy Secretary, U.S. Department of Homeland Security. July 25, 2013. (S. Hrg. 113–404)

This one-panel hearing considered the nomination of the Honorable Alejandro N. Mayorkas to be Deputy Secretary, U.S. Department of Homeland Security. The nominee was introduced by Senator Dianne Feinstein.

The Department of Homeland Security at 10 Years: Examining Challenges and Achievements and Addressing Emerging Threats. September 11, 2013. (S. Hrg. 113–296)

This one-panel hearing was the third in a series marking the tenth anniversary of the Department of Homeland Security (DHS). The hearing examined the achievements the Department has made, the challenges it has had to address, and the emerging issues and threats the Department should focus on in the future. Witnesses discussed cybersecurity and options for DHS to enhance resilience to disasters and counter evolving terror threats.

Witnesses: Hon. Thomas J. Ridge, Former Secretary of Homeland Security; Hon. Jane Harman, Former Member of the U.S. House of Representatives from the State of California; Admiral Thad W. Allen, USCG, Retired, Former Commandant of the U.S. Coast Guard; and Hon. Stewart A. Baker, Former Assistant Secretary for Policy at the Department of Homeland Security.

Nominations of Stevan E. Bunnell to be General Counsel, U.S. Department of Homeland Security, and Suzanne E. Spaulding to be Under Secretary (for National Protection and Programs), U.S. Department of Homeland Security. September 18, 2013. (S. Hrg. 113–142)

This one-panel hearing considered the nominations of Stevan E. Bunnell to be General Counsel, U.S. Department of Homeland Security, and Suzanne E. Spaulding to be Under Secretary (for National Protection and Programs), U.S. Department of Homeland Security. Mr. Bunnell was introduced by the Honorable Kenneth L. Wainstein and Ms. Spaulding was introduced by Senators Mark R. Warner and Tim Kaine.

Outside the Box: Reforming and Renewing the Postal Service, Part 1—Maintaining Services, Reducing Costs, and Increasing Revenue Through Innovation and Modernization. September 19, 2013. (S. Hrg. 113–405)

The purpose of this two-panel hearing was to explore how the Postal Service can be renewed and reformed to thrive in an era when Americans increasingly relying on digital communications. It included an examination of solutions proposed in S. 1486, the Postal Reform Act of 2013. This hearing was the first of two the Committee will hold on this topic. Witnesses provided their views on postal services, including delivery schedules, delivery standards, and post office services; possible changes in the postal ratemaking system; and innovation at the Postal Service, including the potential offering of new and innovative products and services.

Witnesses: Panel I: Hon. Patrick R. Donahoe, Postmaster General and Chief Executive Officer, U.S. Postal Service; Hon. Ruth Y. Goldway, Chairman, Postal Regulatory Commission; Hon. David C. Williams, Inspector General, U.S. Postal Service. Panel II: Cliff Guffey, President, American Postal Workers Union; Jeanette P. Dwyer, President, National Rural Letter Carriers' Association; John Beeder, President and Chief Operating Officer, American Greetings Corporation; Jerry Cerasale, Senior Vice President, Government Affairs, Direct Marketing Association, Inc.; and Seth Weisberg, Chief Legal Officer, Stamps.com.

Combating Human Trafficking: Federal, State, and Local Perspectives. September 23, 2013. (S. Hrg. 113–455)

The purpose of this two-panel hearing was to raise awareness about domestic human trafficking, and examine efforts to coordinate Federal, state, tribal and local efforts to combat human trafficking within the United States. Witnesses discussed the incidence of human trafficking within the U.S. and their respective communities, causes of human trafficking, as well as existing Federal, state, and local strategies to combat it. Additionally, witnesses offered strategies for increasing national awareness of human trafficking, and opportunities for increased collaboration between Federal, state, tribal and local authorities.

Witnesses: Panel I: Hon. Alice C. Hill, Chair, Blue Campaign, U.S. Department of Homeland Security; James A. Dinkins, Executive Associate Director, Homeland Security Investigations, U.S. Immigration and Customs Enforcement, U.S. Department of Homeland Security; Anne Gannon, National Coordinator for Child Exploitation Prevention and Interdiction, Office of the Deputy Attorney General, U.S. Department of Justice; Joseph S. Campbell, Deputy Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation, U.S. Department of Justice. Panel II: John J. Farmer, Jr., Senior Vice President and University Counsel, Rutgers, The State University of New Jersey; Suzanne Koeplinger, Executive Director, Minnesota Indian Women's Resource Center; Lisa Brunner, Program Specialist, National Indigenous Women's Resource Center; Daniel Papa, Director, Project Stay Gold.

Nominations of Hon. Carol W. Pope, Hon. Ernest W. DuBester, and Patrick Pizzella to be Members, Federal Labor Relations Authority. September 25, 2013. (S. Hrg. 113–430)

This one-panel hearing considered the nominations of Hon. Carol W. Pope, Hon. Ernest W. Dubester, and Patrick Pizzella to be Members of the Federal Labor Relations Authority. The Hon. Carol W. Pope was introduced by Delegate Eleanor Holmes Norton. Senator Jon Tester, Chairman of the Subcommittee on Efficiency and Effectiveness of Federal Programs and Federal Workforce, presided.

Outside the Box: Reforming and Renewing the Postal Service, Part II—Promoting a 21st Century Workforce. September 26, 2013. (S. Hrg. 113–405)

The purpose of this two-panel hearing was to explore how the Postal Service can be renewed and reformed to thrive in an era when Americans increasingly relying on digital communications. It included an examination of solutions proposed in S. 1486, the Postal Reform Act of 2013. This hearing was the second of two the Committee held on this topic. Witnesses provided their views on issues related to the postal workforce, including matters related to health care and pensions for postal workers; the manner in which the Postal Service calculates and funds such obligations; and the evolving role of postal workers in the digital age.

Witnesses: Panel I: Hon. Patrick R. Donahoe, Postmaster General and Chief Executive Officer, U.S. Postal Service; Jonathan Foley, Director, Planning and Policy Analysis, U.S. Office of Personnel Management; Frank Todisco, Chief Actuary, U.S. Government Accountability Office; John E. Dicken, Director, Health Care, U.S. Government Accountability Office. Panel II: Frederic V. Rolando, President, National Association of Letter Carriers, AFL–CIO; John F. Hegarty, National President, National Postal Mail Handlers Union; Robert J. Rapoza, President, National Association of Postmasters of the United States; Douglas J. Holtz-Eakin, Ph.D., President, American Action Forum; Dean Baker, Ph.D., Co-Director, Center for Economic and Policy Research.

Nomination of Beth F. Cobert to be Deputy Director for Management, Office of Management and Budget. October 2, 2013. (S. Hrg. 113–333)

This one-panel hearing considered the nomination of Beth F. Cobert to be Deputy Director for Management, Office of Management and Budget.

Nominations of the Hon. Tony Hammond and the Hon. Nanci E. Langley to be Commissioners, Postal Regulatory Commission. October 2, 2013. (S. Hrg. 113–429)

This one-panel hearing considered the nominations of the Honorable Tony Hammond and the Honorable Nanci E. Langley to be Commissioners, Postal Regulatory Commission. Mr. Hammond was introduced by Sen. Roy Blunt.

Nomination of William W. Nooter to be an Associate Judge, Superior Court of the District of Columbia. October 8, 2013. (S. Hrg. 113–237)

This one-panel hearing considered the nomination of William W. Nooter to be an Associate Judge, Superior Court of the District of Columbia. The nominee was introduced by Delegate Eleanor Holmes Norton. Senator Mark Begich, Chairman of the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia, presided.

Nomination of the Honorable Jeh C. Johnson to be Secretary, U.S. Department of Homeland Security. October 13, 2013. (S. Hrg. 113–427)

This one-panel hearing considered the nomination of Hon. Jeh C. Johnson to be Secretary, U.S. Department of Homeland Security. The nominee was introduced by Sen. Robert Menendez and Sen. Cory Booker.

Threats to the Homeland. November 14, 2013. (S. Hrg. 113–426)

This one-panel hearing assessed the major threats to our homeland as well as the status of U.S. defenses against these threats. Witness testimony focused on the current status of homeland threats such as terrorism threats, cyber threats, transnational organized crime, homegrown violent extremism, and lone wolf offenders. The hearing reflected on how these threats have evolved since the committee's 2012 threat hearing and also highlighted the major initiatives carried out by DHS, the FBI, and the NCTC in response to these threats.

Witnesses: Hon. Rand Beers, Acting Secretary, U.S. Department of Homeland Security; Hon. James B. Comey, Jr., Director, Federal Bureau of Investigation, U.S. Department of Justice; Hon. Matthew G. Olsen, Director, National Counterterrorism Center, Office of the Director of National Intelligence.

Beyond Silk Road: Potential Risks, Threats, and Promises of Virtual Currencies. November 18, 2013. (S. Hrg. 113–516)

This two-panel hearing explored the threats, risks, and promises related to virtual currency for the Federal Government and society at large. The hearing focused on how Federal departments and agencies are defining virtual currencies, the unique challenges virtual currencies present for law enforcement, and the approach by Federal regulatory agencies to coordinate efforts to deal with this emerging technology. Witnesses discussed the extent to which virtual currencies are being used in organized crime, terrorist organizations, or large scale money laundering activities, but also presented examples of opportunities and advantages that virtual currencies can provide. Witness provided the committee with their assessment of probable future trends in virtual currencies, and potential policy consideration for Congress and other policymakers.

Witnesses: Panel I: Jennifer Shasky Calvery, Director, Financial Crimes Enforcement Network, U.S. Department of the Treasury; Mythili Raman, Acting Assistant Attorney General, Criminal Division, U.S. Department of Justice; Edward W. Lowery III, Special Agent in Charge, Criminal Investigative Division, U.S. Secret Service, U.S. Department of Homeland Security. Panel II: Ernie Allen,

President and Chief Executive Officer, The International Centre for Missing & Exploited Children; Patrick Murck, General Counsel, The Bitcoin Foundation, Inc.; Jeremy Allaire, Chief Executive Officer, Circle Internet Financial, Inc.; Jerry Brito, Senior Research Fellow, The Mercatus Center, George Mason University.

The Navy Yard Tragedy: Examining Physical Security for Federal Facilities. December 17, 2013. (S. Hrg. 113–425)

This two-panel hearing was the second of two the Committee held on the Navy Yard tragedy. This hearing examined governmental efforts to physically secure Federal facilities in light of the Washington Navy Yard attack. Witness testimony focused on Federal practices to identify, prioritize, and mitigate threats against Federal facilities; collaboration amongst Federal agencies; and what modifications for security at Federal facilities have been or need to be implemented following the attack at the Washington Navy Yard. Members and witnesses agreed that to increase physical security for Federal facilities there needs to be greater coordination among Federal agencies, open GAO recommendations need to be implemented, and employees need further training and clarification regarding what to do in an active shooter situation.

Witnesses: Panel I: Caitlin A. Durkovich, Acting Secretary for Infrastructure Protection, National Protection and Programs Directorate, U.S. Department of Homeland Security; L. Eric Patterson, Director, Federal Protective Service, U.S. Department of Homeland Security; Stephen Lewis, Deputy Director for Personnel, Industrial and Physical Security Policy, Directorate of Security Policy & Oversight, Office of Under Secretary of Defense for Intelligence, U.S. Department of Defense. Panel II: Mark L. Goldstein, Director, Physical Infrastructure Issues, U.S. Government Accountability Office; Stephen D. Amitay, Executive Director, National Association of Security Companies; David L. Wright, President, Federal Protective Service Union, American Federal of Government Employees.

Nomination of John Roth to be the Inspector General, U.S. Department of Homeland Security. January 8, 2014. (S. Hrg. 113–436)

This one-panel hearing considered the nomination of John Roth to be the Inspector General, U.S. Department of Homeland Security.

Examining Conference and Travel Spending Across the Federal Government. January 14, 2014. (S. Hrg. 113–431)

The purpose of this two-panel hearing was for GSA to provide an update on its conference and travel policies, to examine the government-wide policies that OMB has put in place related to conference and travel spending by Federal agencies, and for a selection of IGs to report on the current conference and travel policies of Federal agencies. Additionally, the hearing explored recommendations for controlling conference and travel spending in the future, such as using videoconferencing tools or scheduling back-to-back sessions for decreased travel costs.

Witnesses: Panel I: Hon. Beth F. Cobert, Deputy Director for Management, Office of Management and Budget; Hon. Daniel M. Tangherlini, Administrator, U.S. General Services Administration. Panel II: Hon. Michael E. Horowitz, Inspector General, U.S. De-

partment of Justice; Hon. Brian D. Miller, Inspector General, U.S. General Services Administration; Hon. J. Russell George, Inspector General for Tax Administration, U.S. Department of the Treasury.

Extreme Weather Events: The Costs of Not Being Prepared. February 12, 2014. (S. Hrg. 113–000)

The purpose of this two-panel hearing was to look at the costs of not being prepared for extreme weather events and explore ways the Federal Government can help make our communities more resilient and save money in the long run. Witnesses discussed the need for increased efforts to mitigate risks before extreme weather hits, investing in resilient infrastructure, and possibly incentivizing communities that are well prepared.

Witnesses: Panel I: Hon. David F. Heyman, Assistant Secretary for Policy, U.S. Department of Homeland Security; Caitlin A. Durkovich, Assistant Secretary for Infrastructure Protection, National Protection and Programs Directorate, U.S. Department of Homeland Security; Mark E. Gaffigan, Managing Director, Natural Resources and Environment Issues, U.S. Government Accountability Office. Panel II: Collin P. O'Mara, Secretary, Delaware Department of Natural Resources and Environmental Control; Paul Kirshen, Ph.D., Research Professor, Environmental Research Group, Civil Engineering Department & Institute for the Study of Earth, Oceans, and Space, University of New Hampshire; Lindene E. Patton, Chief Climate Product Officer, Zurich Insurance Group, Ltd.

Recycling Electronics: A Common Sense Solution for Enhancing Government Efficiency and Protecting Our Environment. February 27, 2014. (S. Hrg. 113–000)

The purpose of this one-panel hearing was to explore how electronics recycling not only helps to preserve our environment, but also contributes to job creation and economic development. Witnesses discussed strategies for improving and increasing electronics recycling in the Federal Government and across the country.

Witnesses: Kevin Kampschroer, Director, Office of Federal High-Performance Green Buildings, Office of Governmentwide Policy, U.S. General Services Administration; Thomas G. Day, Chief Sustainability Office, U.S. Postal Service; Brenda Pulley, Senior Vice President of Recycling, Keep America Beautiful; Walter L. Alcorn, Vice President, Environmental Affairs and Industry Sustainability, Consumer Electronics Association; Stephen Skurnac, President, Sims Recycling Solutions, Inc.

Nominations of L. Reginald Brothers, Jr. to be Under Secretary for Science and Technology, U.S. Department of Homeland Security and the Honorable Francis X. Taylor to be Under Secretary for Intelligence and Analysis, U.S. Department of Homeland Security. March 5, 2014. (S. Hrg. 113–441)

This one-panel hearing considered the nominations of L. Reginald Brothers, Jr. to be Under Secretary for Science and Technology, U.S. Department of Homeland Security and the Honorable Francis X. Taylor to be Under Secretary for Intelligence and Analysis, U.S. Department of Homeland Security.

Management Matters: Creating a 21st Century Government. March 12, 2014. (S. Hrg. 113–418)

The purpose of the single-panel hearing was to review the Administration's management initiatives, with a focus on priorities for the remainder of the second term. Witnesses provided an update on the President's second term management agenda as well as a description of management initiatives in the President's proposed Fiscal Year 2015 budget. Testimony addressed management challenges through implementation of the Government Performance and Results Modernization Act of 2010, including the issuance of new Cross Agency Priority Goals, individual agency priority goals, and agency strategic plans.

Witnesses: Hon. Beth F. Cobert, Deputy Director for Management, Office of Management and Budget; Hon. Daniel M. Tangherlini, Administrator, U.S. General Services Administration; Hon. Eugene L. Dodaro, Comptroller General of the United States, U.S. Government Accountability Office.

The Homeland Security Department's Budget Submission for Fiscal Year 2015. March 13, 2014. (S. Hrg. 113–000)

The purpose of this annual, one-panel hearing was to discuss the Department of Homeland Security (DHS) budget request for Fiscal Year 2015. Specifically, it examined how the DHS budget request meets the current and future homeland security needs of the nation.

Witness: Hon. Jeh C. Johnson, Secretary, Department of Homeland Security.

Strengthening Public-Private Partnerships to Reduce Cyber Risks to our Nation's Critical Infrastructure. March 26, 2014. (S. Hrg. 113–000)

The purpose of this two-panel hearing was to examine the cybersecurity partnerships among the Federal Government, states, and the private sector to secure critical infrastructure, including the Cybersecurity Framework and other provisions outlined in the Executive Order issued by President Obama on February 12, 2013. Witnesses described cyber vulnerabilities and threats to critical infrastructure and efforts to increase the security and resiliency of such networks and assets. Additionally, the hearing explored ways in which Federal and State governments can partner with the private sector to address cyber threats and vulnerabilities.

Witnesses: Panel I: Phyllis A. Schneck, Ph.D., Deputy Under Secretary for Cybersecurity, National Protection and Programs Directorate, U.S. Department of Homeland Security; Donna Dodson, Chief Cybersecurity Advisor, National Institute of Standards and Technology, U.S. Department of Commerce; Stephen L. Caldwell, Director, Homeland Security and Justice Issues, U.S. Government Accountability Office (accompanied by Gregory C. Wilshusen, Director, Information Security Issues, U.S. Government Accountability Office). Panel II: Elayne Starkey, Chief Security Officer, Delaware Department of Technology and Information; David M. Velazquez, Executive Vice President for Power Delivery, Pepco Holdings, Inc.; Doug Johnson, Vice Chairman, Financial Services Sector Coordinating Council; Steven R. Chabinsky, Chief Risk Officer, CrowdStrike, Inc. (testifying in his personal capacity).

Nominations of Sherry M. Trafford and Steven M. Wellner to be Associate Judges, Superior Court of the District of Columbia. March 27, 2014. (S. Hrg. 113–442)

This one-panel hearing considered the nominations of Sherry M. Trafford and Steven M. Wellner to be Associate Judges, Superior Court of the District of Columbia. The nominees were introduced by Delegate Eleanor Holmes Norton. Senator Mark Begich, Chairman of the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia, presided.

Management Matters: Creating a 21st Century Government—Part II, Outside Views. March 31, 2014. (S. Hrg. 113–418)

The purpose of the single-panel hearing was to help identify priorities for improving the management of the Federal Government. Witnesses provided their views on goals that the Administration and Congress should set for short- and long-term management initiatives, as well as suggestions to improve the delivery of government services. Additionally, witnesses offered their views on how the Administration is addressing management challenges through implementation of the Government Performance and Results Modernization Act of 2010, including the issuance of new Cross Agency Priority Goals, individual agency priority goals, and agency strategic plans.

Witnesses: Max Stier, President and Chief Executive Officers, Partnership for Public Service; Shelley H. Metzenbaum, Ph.D., President, The Volcker Alliance; Robert Johnston Shea, Principal, Global Public Sector, Grant Thornton LLP; Tom Lee, Director, Sunlight Labs, The Sunlight Foundation.

Data Breach on the Rise: Protecting Personal Information From Harm. April 2, 2014. (S. Hrg. 113–000)

The purpose of this two-panel hearing was to examine data breaches, including those at Target and Neiman Marcus, and the efforts that industry and government are taking to address this growing challenge. Witnesses discussed what needs to be done to address this ever growing problem, including the steps being taken to prevent and investigate such breaches, as well as efforts taken to better inform and notify consumers after a breach. Additionally, witnesses offered their thoughts on S. 1927 and other legislative proposals they believed may be necessary to better address data breaches.

Witnesses: Panel I: Hon. Edith Ramirez, Chairwoman, Federal Trade Commission; William Noonan, Deputy Special Agent in Charge, Criminal Investigative Division, Cyber Operations Branch, U.S. Secret Service, U.S. Department of Homeland Security; Gregory C. Wilshusen, Director, Information Security Issues, U.S. Government Accountability Office. Panel II: Hon. Tim Pawlenty, Chief Executive Officer, Financial Services Roundtable; Sandra L. Kennedy, President, Retail Industry Leaders Association; Tiffany O. Jones, Senior Vice President and Chief Revenue Officer, iSIGHT Partners, Inc.

Nomination of Julia A. Clark to be General Counsel, Federal Labor Relations Authority. April 29, 2014. (S. Hrg. 113–443)

This one-panel hearing considered the nomination of Julia A. Clark to be General Counsel, Federal Labor Relations Authority. Senator Jon Tester, Chairman of the Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce, presided.

Lessons Learned from the Boston Marathon Bombings: Improving Intelligence and Information Sharing. April 30, 2014. (S. Hrg. 113–444)

This one-panel hearing examined the systems and processes for sharing intelligence and information regarding the Boston bombers and their actions leading up to the attack on April 15, 2013. Specifically, the hearing focused on the joint work by the Inspectors General for the Intelligence Community, the Department of Homeland Security, the Department of Justice, and the Central Intelligence Agency, to determine the extent of information available to the U.S. Government prior to the bombings, where the sharing of information was complete, accurate, and in compliance with government's ability to detect potential threats to national security. Witnesses discussed the findings and recommendations contained in the recent report issued by the Inspectors General, as well as additional steps needed to improve intelligence and information sharing processes. Following the open session, the committee continued the hearing in a classified session.

Witnesses: Hon. I. Charles McCullough III, Inspector General of the Intelligence Community, Office of the Director of National Intelligence; Hon. John Roth, Inspector General, U.S. Department of Homeland Security; Hon. Michael E. Horowitz, Inspector General, U.S. Department of Justice; Hon. David B. Buckley, Inspector General, Central Intelligence Agency.

Identifying Critical Factors for Success in Information Technology Acquisitions. May 8, 2014. (S. Hrg. 113–000)

The purpose of this two-panel hearing was to examine the best practices and critical factors that lead to the successful acquisition of information technology (IT) investments. Witnesses discussed the challenges both government and industry organizations face in implementing IT systems, the similarities and differences between government and industry in this area, and lessons the Federal Government can learn from how industry implements IT.

Witnesses: Panel I: Hon. Daniel M. Tangherlini, Administrator, U.S. General Services Administration; Steven L. Vanroekel, U.S. Chief Information Officer, Office of Management and Budget; David A. Powner, Director of Information Technology Management Issues, U.S. Government Accountability Office. Panel II: Daniel J. Chenok, Executive Vice Chair, Industry Advisory Council, American Council for Technology and Industry Advisory Council; Karen S. Evans, Partner, KE&T Partners, LLC.

Improving Financial Management at the Department of Defense. May 13, 2014. (S. Hrg. 113–000)

The purpose of this two-panel hearing was to examine the Department of Defense (DOD) plans and challenges for improving De-

partment-wide financial management. Congress established a requirement for the DOD to become financially “audit ready” by 2017. However, past hearings and studies brought into question whether the DOD, and the military services and agencies, will meet this deadline, as well as achieve other financial improvement goals. Witnesses discussed the consequence to the Department and its missions for inadequate financial management.

Witnesses: Panel I: Hon. Robert F. Hale, Under Secretary (Comptroller) and Chief Financial Officer, Office of the Under Secretary of Defense (Comptroller), U.S. Department of Defense; Robert M. Speer, Acting Assistant Secretary of the Army (Financial Management and Comptroller), U.S. Department of the Army; Hon. Susan J. Rabern, Ph.D., Assistant Secretary of the Navy (Financial Management and Comptroller), U.S. Department of the Navy; Hon. Jamie M. Morin, Ph.D., Assistant Secretary of the Air Force (Financial Management and Comptroller), U.S. Department of the Air Force. Panel II: Hon. Jon T. Rymer, Inspector General, U.S. Department of Defense; Asif Khan, Director, Financial Management and Assurance, U.S. Government Accountability Office.

Charting a Path Forward for the Chemical Facilities Anti-Terrorism Standards Program. May 14, 2014. (S. Hrg. 113–000)

The purpose of this two-panel hearing was to examine the Department of Homeland Security’s Chemical Facility Anti-Terrorism Standards (CFATS) program and the progress that has been made in working with more than 4,000 high-risk chemical facilities to reduce the risk of terrorism or sabotage against those facilities. Witness testimony focused on previous enhancements to the program made by the Department, how the Department could accelerate efforts to review security plans and conduct compliance inspections, and what additional actions could be taken to improve management of the CFATS program, including providing a long term legislative reauthorization of the program.

Witnesses: Panel I: Hon. Suzanne E. Spaulding, Under Secretary, National Protection and Programs Directorate, U.S. Department of Homeland Security; David M. Wulf, Director, Infrastructure Security Compliance Division, Office of Infrastructure Protection, National Protection and Programs Directorate, U.S. Department of Homeland Security; Stephen L. Caldwell, Director, Homeland Security and Justice Issues, U.S. Government Accountability Office. Panel II: Dana A. Shea, Ph.D., Specialist in Science and Technology Policy, Congressional Research Service, Library of Congress; Anna Fendley, MPH, Legislative Representative, United Steelworkers; Timothy J. Scott, Chief Security Officer, The Dow Chemical Company, Appearing on behalf of Dow and the American Chemistry Council.

Evaluating Port Security: Progress Made and Challenges Ahead. June 4, 2014. (S. Hrg. 113–000)

The purpose of this one-panel hearing was to examine the Department of Homeland Security’s (DHS) progress in securing the nation’s ports and waterways, protecting global supply chains that make use of U.S. ports, and in implementing the SAFE Port Act, while continuing to facilitate the flow of essential trade and transportation. Witness testimony focused on the actions taken by DHS

to physically secure U.S. ports and waterways from a variety of threats, including nuclear threats; how DHS works with state and local authorities and private sector stakeholders to improve maritime security, including through the use of grants; and what progress has been made in securing global supply chains in cooperation with international authorities and private sector stakeholders.

Witnesses: Panel I: Ellen McCain; Deputy Assistant Secretary for Transborder Policy, Office of Policy, U.S. Department of Homeland Security; Rear Admiral Paul F. Thomas, USCG, Assistant Commandant for Prevention Policy, U.S. Coast Guard, U.S. Department of Homeland Security; Kevin K. McAleenan, Acting Deputy Commissioner, U.S. Customs and Border Protection, U.S. Department of Homeland Security; Brian E. Kamoie, Assistant Administrator for Grant Programs, Federal Emergency Management Agency, U.S. Department of Homeland Security; Stephen Sadler, Assistant Administrator for Intelligence and Analysis, Transportation Security Administration, U.S. Department of Homeland Security; Stephen L. Caldwell, Director, Homeland Security and Justice Issues, U.S. Government Accountability Office.

Border Security: Examining the Implications of S. 1691, the Border Patrol Pay Reform Act of 2013. June 9, 2014. (S. Hrg. 113–000)

The purpose of this one-panel hearing was to examine the implications of S. 1691, the Border Patrol Agent Pay Reform Act of 2013. Witness testimony focused on the impact this bill would have on Customs and Border Protection’s ability to secure the border, manage its workforce, and make the most effective use of taxpayer resources.

Witnesses: Panel I: Ronald D. Vitiello, Deputy Chief, U.S. Border Patrol, U.S. Customs and Border Protection, U.S. Department of Homeland Security; Brandon Judd, President, National Border Patrol Council; Paul L. Hamrick, Deputy Assistant Commissioner, Office of Internal Affairs, U.S. Customs and Border Protection, U.S. Department of Homeland Security; Adam Miles, Deputy Special Counsel for Policy and Congressional Affairs, U.S. Office of Special Counsel.

Nomination of the Hon. Shaun L. S. Donovan to be Director, Office of Management and Budget. June 11, 2014. (S. Hrg. 113–000)

This one-panel hearing considered the nomination of the Honorable Shaun L. S. Donovan to be Director, Office of Management and Budget. The nominee was introduced by Sen. Mary L. Landrieu and Sen. Susan M. Collins.

Securing Radiological Materials: Examining the Threat Next Door. June 12, 2014. (S. Hrg. 113–000)

The purpose of this one-panel hearing was to examine the threat to the nation posed by terrorists seeking to detonate explosives designed to disperse radiological material or “dirty bombs” within the U.S.’s borders. Building upon a 2012 Subcommittee on Oversight of Government Management investigation into the security of radiological material in medical facilities that could be used to construct a dirty bomb, this hearing analyzed the adequacy of the security measures for radiological sources used in industrial and commer-

cial applications. Witness testimony focused on the role of various government agencies in safeguarding industrial radiological sources from terrorist theft or sabotage.

Witnesses: Panel I: Hon. Anne Harrington, Deputy Administrator for Defense Nuclear Nonproliferation, National Nuclear Security Administration; Huban A. Gowadia, Ph.D., Director, Domestic Nuclear Detection Office, U.S. Department of Homeland Security; Mark Satorius, Executive Director for Operations, U.S. Nuclear Regulatory Commission; David Trimble, Director, Natural Resources and Environment, U.S. Government Accountability Office.

The Intelligence Community: Keeping Watch Over its Contractor Workforce. June 18, 2014. (S. Hrg. 113-000)

The purpose of this one-panel hearing was to examine the issues raised by the report of the Government Accountability Office (GAO) entitled “Civilian Intelligence Community: Additional Actions Needed to Improve Reporting on and Planning for the Use of Contract Personnel” (GAO-14-204). Witness testimony addressed overall trends in the use of contractor personnel for core functions, and efforts by the civilian intelligence community (IC) to inventory core contract personnel. Witnesses also discussed challenges associated with compiling the inventory and plans to improve accuracy, consistency, and comparability of the surveys across the civilian IC. Following the open session, the committee continued the hearing in a classified session.

Witnesses: Panel I: Hon. Stephanie O’Sullivan, Principal Deputy Director, Office of the Director of National Intelligence; Timothy J. DiNapoli, Director, Acquisition and Sourcing Management, U.S. Government Accountability Office.

Challenges at the Border: Examining the Causes, Consequences, and Response to the Rise in Apprehensions at the Southern Border. July 9, 2014. (S. Hrg. 113-000)

The purpose of this one-panel hearing was to examine the current situation along our southern border with Mexico. This was the first of two hearings the Committee will hold on this topic. Witness testimony focused on the impact that the increasing number of individuals from Central America-including unaccompanied children and family units- arriving at our borders is having on agency operations and the status of the current interagency response. Witnesses highlighted efforts their agencies are taking to address the root cause of the situation along our border, and recommended various solutions to curb it.

Witnesses: Panel I: Hon. W. Craig Fugate, Administrator, Federal Emergency Management Agency, U.S. Department of Homeland Security; Hon. R. Gil Kerlikowske, Commissioner, U.S. Customs and Border Protection, U.S. Department of Homeland Security; Thomas S. Winkowski, Principal Deputy Assistant Secretary, U.S. Immigration and Customs Enforcement, U.S. Department of Homeland Security; Mark H. Greenberg, Acting Assistant Secretary, Administration for Children and Families, U.S. Department of Health and Human Services; Francisco Palmieri, Deputy Assistant Secretary for the Caribbean and Central America, Bureau of Western Hemisphere Affairs, U.S. Department of State; Juan P.

Osuna, Director, Executive Office of Immigration Review, U.S. Department of Justice.

Nominations of Hon. James C. Miller III, Stephen Crawford, David M. Bennett, and Victoria Reggie Kennedy to be Governors, U.S. Postal Service. July 14, 2014. (S. Hrg. 113–000)

This one-panel hearing considered the nominations of Hon. James C. Miller III, Stephen Crawford, David M. Bennett, and Victoria Reggie Kennedy to be Governors, U.S. Postal Service. Mrs. Kennedy was introduced by Sen. Edward J. Markey.

Challenges at the Border: Examining and Addressing the Root Causes Behind the Rise in Apprehensions at the Southern Border. July 16, 2014. (S. Hrg. 113–000)

The purpose of this one-panel hearing was to examine the reasons that so many Central Americans—particularly unaccompanied children and families—are leaving their home countries and trying to enter the United States. This hearing was the second of two the Committee held on this topic. Witness testimony focused on the root causes of this migration and various efforts that might help to alleviate those causes. Witnesses highlighted the effectiveness of current and potential initiatives by the U.S. government, international organizations, faith institutions, and the private sector to address those factors.

Witnesses: Panel I: Michael Shifter, President, Inter-American Dialogue; Eric L. Olson, Associate Director, Latin American Program, Woodrow Wilson International Center for Scholars; Eric Farnsworth, Vice President, Americas Society/Council of the Americas; Richard Jones, Deputy Regional Director for Global Solidarity and Justice in Latin America and the Caribbean, Catholic Relief Services; Bryan Roberts, Ph.D., Senior Economist, Econometrica, Inc.

Nomination of Anne E. Rung to be Administrator, Office of Federal Procurement Policy, Office of Management and Budget. July 24, 2014. (S. Hrg. 113–000)

This one-panel hearing considered the nomination of Anne E. Rung to be Administrator, Office of Federal Procurement Policy, Office of Management and Budget. Senator Claire McCaskill, Chairman of the Subcommittee on Financial and Contracting Oversight, presided.

Nomination of Joseph L. Nimmich to be Deputy Administrator, Federal Emergency Management Agency, U.S. Department of Homeland Security. July 24, 2014. (S. Hrg. 113–000)

This one-panel hearing considered the nomination of Joseph L. Nimmich to be Deputy Administrator, Federal Emergency Management Agency, U.S. Department of Homeland Security. Senator Mark Begich, Chairman of the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia, presided.

Oversight of Federal Programs for Equipping State and Local Law Enforcement Agencies. September 9, 2014. (S. Hrg. 113–000)

The purpose of this two-panel hearing was to examine Federal programs responsible for distributing surplus military equipment and grant funding to state and local law enforcement agencies. The hearing assessed the justification for the programs and the policies in place for coordinating, managing, and overseeing them. Witness testimony discussed the processes for awarding grants, disposing of excess and surplus Defense Department property to state and local law enforcement, and how agencies ensure that recipients of equipment and grant funding use, manage, and account for them.

Witnesses: Panel I: Hon. Alan F. Estevez, Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics, U.S. Department of Defense; Brian E. Kamoie, Assistant Administrator for Grant Programs, Federal Emergency Management Agency, U.S. Department of Homeland Security; Karol Mason, Assistant Attorney General, Office of Justice Programs, U.S. Department of Justice. Panel II: Chief Jim Bueerman, President, Police Foundation; Peter B. Kraska, Ph.D., Professor, School of Justice Studies, Eastern Kentucky University; Mark Lomax, Executive Director, National Tactical Officers Association; Mr. Lomax was accompanied by Major Ed Allen, Seminole County Sheriff's Office; Wiley Price, Photojournalist, The St. Louis American Newspaper; Hilary O. Shelton, Washington Bureau Director and Senior Vice President for Advocacy, National Association for the Advancement of Colored People.

Cybersecurity, Terrorism, and Beyond: Addressing Evolving Threats to the Homeland. September 10, 2014. (S. Hrg. 113–000)

The purpose of this one-panel hearing was to examine several key global threats and how they impact the U.S. homeland. The hearing predominately focused on cyber threats, but also addressed other homeland threats, such as the terrorist threat from the Islamic State of Iraq in the Greater Levant (ISIL), Syrian foreign fighters, and terrorist travel. Witnesses provided the committee with an update on the current status of these threats, including how they have evolved over the past year, and highlighted the major initiatives carried out by DHS, the FBI, and the NCTC in response to these threats.

Witnesses: Hon. Francis X. Taylor, Under Secretary for Intelligence and Analysis, U.S. Department of Homeland Security; Hon. Suzanne E. Spaulding, Under Secretary, National Protection and Programs Directorate, U.S. Department of Homeland Security; Nicholas J. Rasmussen, Deputy Director, National Counterterrorism Center, Office of the Director of National Intelligence; Robert Anderson, Jr., Executive Assistant Director, Criminal, Cyber, Response, and Services Branch, Federal Bureau of Investigation, U.S. Department of Justice.

Equality for the District of Columbia: Discussing the Implications of S. 132, the New Columbia Admissions Act of 2013. September 15, 2014. (S. Hrg. 113–000)

The purpose of this two-panel hearing was to examine the rationale for and implications of S. 132, the New Columbia Admissions Act of 2013. Witnesses discussed the challenges and disadvantages

the District of Columbia faces due to its current status and shared their assessment of S. 132 and the effect it would have on the District of Columbia. Witness testimony also addressed the constitutionality, legality, and feasibility of achieving statehood for the District of Columbia through legislative means.

Witnesses: Panel I: Hon. Eleanor Holmes Norton, Delegate of the District of Columbia, U.S. House of Representatives; Hon. Vincent C. Gray, Mayor, District of Columbia; Hon. Philip H. Mendelson, Chairman, Council of the District of Columbia. Panel II: Hon. Viet D. Dinh, Professor, Georgetown University Law Center; Hon. Alice M. Rivlin, Ph.D., Senior Fellow and Leonard D. Schaeffer Chair in Health Policy Studies, The Brookings Institution; Wade Henderson, President, Leadership Conference on Civil and Human Rights; Roger Pilon, Ph.D., Vice President for Legal Affairs and B. Kenneth Simon Chair in Constitutional Studies, Cato Institute; Hon. Paul Strauss, Shadow Senator, District of Columbia; Hon. Michael D. Brown, Shadow Senator, District of Columbia.

Nominations of Hon. Sarah R. Saldaña to be Assistant Secretary for Immigration and Customs Enforcement, U.S. Department of Homeland Security; Russell C. Deyo to be Under Secretary for Management, U.S. Department of Homeland Security; Hon. Mickey D. Barnett to be a Governor, U.S. Postal Service. September 17, 2014. (S. Hrg. 113–000)

This one-panel hearing considered the nominations of Hon. Sarah R. Saldaña to be Assistant Secretary for Immigration and Customs Enforcement, U.S. Department of Homeland Security; Russell C. Deyo to be Under Secretary for Management, U.S. Department of Homeland Security; and Hon. Mickey D. Barnett to be a Governor, U.S. Postal Service. Mrs. Saldaña was introduced by Sen. John Cornyn and Mr. Deyo was introduced by The Honorable Michael Chertoff.

Nomination of Rear Admiral Earl L. Gay, USN, (Ret.) to be Deputy Director, Office of Personnel Management. November 18, 2014. (S. Hrg. 113–000)

This one-panel hearing considered the nomination of Rear Admiral Earl L. Gay, USN, (Ret.) to be Deputy Director, Office of Personnel Management. The nominee was introduced by Representative John Lewis. Senator Jon Tester, Chairman of the Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce, presided.

Preparedness and Response to Public Health Threats: How Ready Are We? November 19, 2014. (S. Hrg. 113–000)

The purpose of this one-panel hearing was to examine our country's preparedness for and ability to respond to a public health threat or incident in the United States, and the efforts that Federal and State governments are making to prepare for and respond to public health threats and incidents. Witness testimony discussed the measures Federal and state governments are taking to respond to public health threats, as well as preparations that are being made in the event that an outbreak such as Ebola may become a more significant international or domestic threat. The hearing also highlighted the strengths and lessons learned in the past few

months of the Ebola response, and how the overall U.S. public health system can be improved to address the current and future threats posed by disease outbreaks and pandemics.

Witnesses: Hon. Nicole Lurie, M.D., Rear Admiral, U.S. Public Health Service, Assistant Secretary for Preparedness and Response, U.S. Department of Health and Human Services; Hon. Thomas Frieden, M.D., Director, Centers for Disease Control and Prevention; Hon. Gil Kerlikowske, Commissioner, U.S. Customs and Border Protection, U.S. Department of Homeland Security; Commissioner Kerlikowske was accompanied by Dr. Kathryn Brinsfield, Chief Medical Officer, U.S. Department of Homeland Security; Hon. Nancy E. Lindborg, Assistant Administrator, U.S. Agency for International Development; David L. Lakey, M.D., Commissioner, Texas Department of State Health Services.

V. REPORTS, PRINTS, AND GAO REPORTS

During the 113th Congress, the Committee prepared and issued 33 reports and 7 Committee Prints on the following topics. Reports issued by Subcommittees are listed in their respective sections of this document.

COMMITTEE REPORTS

To reauthorize the Congressional Award Act. S. Rept. 113–109, re. S. 1348.

To increase oversight of the Revolving Fund of the Office of Personnel Management, strengthen the authority to terminate or debar employees and contractors involved in misconduct affecting the integrity of security clearance background investigations, enhance transparency regarding the criteria utilized by Federal departments and agencies to determine when a security clearance is required. S. Rept. 113–111, re. S. 1276.

Activities of the Committee on Homeland Security and Governmental Affairs and its Subcommittees for the One Hundred Twelfth Congress. S. Rept. 113–115.

To require the Federal Government to expedite the sale of underutilized Federal real property. S. Rept. 113–122, re. S. 1398.

To amend the Improper Payments Elimination and Recovery Improvement Act of 2012, including making changes to the Do Not Pay initiative, for improved detection, prevention, and recovery of improper payments to deceased individuals. S. Rept. 113–124, re. S. 1360.

To amend title 31, United States Code, to make improvements in the Government Accountability Office. S. Rept. 113–128, re. H.R. 1162.

To expand the Federal Funding Accountability and Transparency Act of 2006 to increase accountability and transparency in Federal spending. S. Rept. 113–139, re. S. 994.

To require certain agencies to conduct assessments of data centers and develop data center consolidation and optimization plans. S. Rept. 113–157, re. S. 1611.

To improve cybersecurity recruitment and retention. S. Rept. 113–207, re. S. 2354.

To prohibit contracting with the enemy. S. Rept. 113–216, re. S. 675.

To prohibit the use of Federal funds for the costs of official portraits of Members of Congress, heads of executive agencies, and heads of agencies and offices of the legislative branch. S. Rept. 113–217, re. S. 1820.

To amend chapter 22 of title 44, United States Code, popularly known as the Presidential Records Act, to establish procedures for the consideration of claims of constitutionally based privilege against disclosure of Presidential records. S. Rept. 113–218, re. H.R. 1233.

To provide for the elimination or modification of Federal reporting requirements. S. Rept. 113–232, re. H.R. 4194.

To reauthorize the Multinational Species Conservation Funds Semipostal Stamp. S. Rept. 113–235, re. S. 231.

To require the purchase of domestically made flags of the United States of America for use by the Federal Government. S. Rept. 113–236, re. S. 1214.

To require the purchase of domestically made flags of the United States of America for use by the Federal Government. S. Rept. 113–237, re. S. 1486.

To codify an existing operations center for cybersecurity. S. Rept. 113–240, re. S. 2519.

To provide taxpayers with an annual report disclosing the cost and performance of Government programs and areas of duplication among them. S. Rept. 113–243, re. S. 2113.

To amend title 5, United States Code, to change the default investment fund under the Thrift Savings Plan. S. Rept. 113–244, re. S. 2117.

To amend title 44, United States Code, to require information on contributors to Presidential library fundraising organizations. S. Rept. 113–245, re. S. 2640.

To amend title 5, United States Code, to improve the security of the United States border and to provide for reforms and rates of pay for border patrol agents. S. Rept. 113–248, re. S. 1691.

To amend chapter 21 of title 5, United States Code, to provide that fathers of certain permanently disabled or deceased veterans shall be included with mothers of such veterans as preference eligibles for treatment in the civil service. S. Rept. 113–249, re. S. 2323.

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance to provide eligibility for broadcasting facilities to receive certain disaster assistance. S. Rept. 113–250, re. S. 2665.

To amend chapter 35 of title 44, United States Code, to provide for reform to Federal information security. S. Rept. 113–256, re. S. 2521.

To prevent conflicts of interest relating to contractors providing background investigation fieldwork services and investigative support services. S. Rept. 113–257, re. S. 2061.

To require adequate information regarding the tax treatment of payments under settlements agreements entered into by Federal agencies. S. Rept. 113–259, re. S. 1898.

To repeal certain mandates of the Department of Homeland Security Office of Inspector General. S. Rept. 113–261, re. S. 2651.

To amend titles 40, 41, and 44, United States Code, to eliminate duplication and waste in information technology acquisition and management. S. Rept. 113–262, re. H.R. 1232.

To recodify and reauthorize the Chemical Facility Anti-Terrorism Standards Program. S. Rept. 113–263, re. H.R. 4007.

To provide transparency, accountability, and limitations of Government sponsored conferences. S. Rept. 113–268, re. S. 1347.

To amend title 5, United States Code, to provide that persons having seriously delinquent tax debts shall be ineligible for Federal employment. S. Rept. 113–272, re. S. 1045.

To strengthen the accountability of individuals involved in misconduct affecting the integrity of background investigations, to update guidelines for security clearances. S. Rept. 113–276, re. S. 1744.

To enhance the Office of Personnel Management background check system for the granting, denial, or revocation of security clearances or access to classified information of employees and contractors of the Federal Government. S. Rept. 113–283, re. S. 1618.

COMMITTEE PRINTS

The Committee issued the following Committee Prints during the 113th Congress:

Rules of Procedure. Committee on Homeland Security and Governmental Affairs. (Printed. 41 pp. S. Prt. 113–10.)

Rules of Procedure. Senate Permanent Subcommittee on Investigations. (Printed. 22 pp. S. Prt. 113–9.)

Rules of Procedure. Committee on Homeland Security and Governmental Affairs. (Printed. 42 pp. S. Prt. 113–19.)

Rules of Procedure. Senate Permanent Subcommittee on Investigations. (Printed. 22 pp. S. Prt. 113–20.)

IRS and TIGTA Management Failures Related to 501 (c)(4) Applicants Engaged in Campaign Activity. (Printed. 1991 pp. S. Prt. 113–26.)

The Air Force's Expeditionary Combat Support System (ECSS): A Cautionary Tale on the Need for Business Process Reengineering and Complying with Acquisition Best Practices. (Printed. 53 pp. S. Prt. 113–27.)

Defense Acquisition Reform: Where Do We Go From Here?—A Compendium of Views by Leading Experts. (Printed. 250 pp. S. Prt. 113–28.)

GAO REPORTS

Also during the 113th Congress, the Government Accountability Office (GAO) issued 268 reports at the request of the Committee. GAO reports requested by the Subcommittees appear in their respective sections. Reports are listed here by title, GAO number, and release date.

Financial Regulation: A Framework for Crafting and Assessing Proposals to Modernize the Outdated U.S. Financial Regulatory System. GAO–09–216. January 8, 2009.

Veteran-Owned Small Businesses: Planning and Data System for VA's Verification Program Need Improvement. GAO–13–95. January 14, 2013.

U.S. Postal Service: Overview of Initiatives to Increase Revenue and Introduce Nonpostal Services and Experimental Postal Products. GAO–13–216. January 15, 2013.

Financial Audit: U.S. Government's Fiscal Years 2012 and 2011 Consolidated Financial Statements. GAO-13-271R. January 17, 2013.

Information Security: Actions Needed by Census Bureau to Address Weaknesses. GAO-13-63. January 22, 2013.

Performance Measures and Comprehensive Funding Data Could Enhance Management of National Capital Region Preparedness Resources. GAO-13-116R. January 25, 2013.

Broadcasting Board of Governors: Additional Steps Needed to Address Overlap in International Broadcasting. GAO-13-172. January 29, 2013.

Warfighter Support: DOD Needs Additional Steps to Fully Integrate Operational Contract Support into Contingency Planning. GAO-13-212. February 8, 2013.

Human Services: Sustained and Coordinated Efforts Could Facilitate Data Sharing While Protecting Privacy. GAO-13-106. February 8, 2013.

U.S. Postal Service: Urgent Action Needed to Achieve Financial Sustainability. GAO-13-347T. February 13, 2013.

Government Reorganization: Potential Benefits and Drawbacks of Merging the National Marine Fisheries Service into the Fish and Wildlife Service. GAO-13-248. February 14, 2013.

2020 Census: Local Administrative Records and Their Use in the Challenge Program and Decennial. GAO-13-269. February 21, 2013.

Iran: U.S. and International Sanctions Have Adversely Affected the Iranian Economy. GAO-13-326. February 25, 2013.

Defense Contracting: Actions Needed to Explore Additional Opportunities to Gain Efficiencies in Acquiring Foreign Language Support. GAO-13-251R. February 25, 2013.

Managing for Results: Data-Driven Performance Reviews Show Promise But Agencies Should Explore How to Involve Other Relevant Agencies. GAO-13-228. February 27, 2013.

Combating Autism Act: HHS Agencies Responded with New and Continuing Activities, Including Oversight. GAO-13-232. February 27, 2013.

Characteristics of Presidential Appointments that do not Require Senate Confirmation. GAO-13-299R. March 1, 2013.

Agricultural Quarantine Inspection Fees: Major Changes Needed to Align Fee Revenues with Program Costs. GAO-13-268. March 1, 2013.

Use of Remanufactured Parts in the Federal Vehicle Fleet Is Based On a Variety of Factors. GAO-13-316R. March 7, 2013.

Cybersecurity: A Better Defined and Implemented National Strategy Is Needed to Address Persistent Challenges. GAO-13-462T. March 7, 2013.

Wind Energy: Additional Actions Could Help Ensure Effective Use of Federal Financial Support. GAO-13-136. March 11, 2013.

Information Sharing: Additional Actions Could Help Ensure That Efforts to Share Terrorism-Related Suspicious Activity Reports Are Effective [Reissued on March 26, 2013]. GAO-13-233. March 13, 2013.

Budget Issues: Effects of Budget Uncertainty from Continuing Resolutions on Agency Operations. GAO-13-464T. March 13, 2013.

Border Security: DHS's Progress and Challenges in Securing U.S. Borders. GAO-13-414T. March 14, 2013.

President's Emergency Plan For Aids Relief: Per-Patient Costs Have Declined Substantially, but Better Cost Data Would Help Efforts to Expand Treatment. GAO-13-345. March 15, 2013.

Information Security: IRS Has Improved Controls but Needs to Resolve Weaknesses. GAO-13-350. March 15, 2013.

High-Risk Series: Government-wide 2013 Update and Progress Made by the Department of Homeland Security. GAO-13-444T. March 21, 2013.

FEMA Reservists: Training Could Benefit from Examination of Practices at Other Agencies. GAO-13-250R. March 22, 2013.

Critical Infrastructure Protection: DHS List of Priority Assets Needs to Be Validated and Reported to Congress. GAO-13-296. March 25, 2013.

Major Automated Information Systems: Selected Defense Programs Need to Implement Key Acquisition Practices. GAO-13-311. March 28, 2013.

Energy Efficiency: Better Coordination among Federal Programs Needed to Allocate Testing Resources. GAO-13-135. March 28, 2013.

Acquisition Workforce: Federal Agencies Obtain Training to Meet Requirements, but Have Limited Insight into Costs and Benefits of Training Investment. GAO-13-231. March 28, 2013.

Medicaid: Enhancements Needed for Improper Payments Reporting and Related Corrective Action Monitoring. GAO-13-229. March 29, 2013.

CMS: Activities, Staffing, and Funding for the Center for Strategic Planning. GAO-13-377R. April 1, 2013.

2012 Lobbying Disclosure: Observations on Lobbyists' Compliance with Disclosure Requirements. GAO-13-437. April 1, 2013.

Federal Employees' Compensation Act: Case Examples Illustrate Vulnerabilities That Could Result in Improper Payments or Overlapping Benefits. GAO-13-386. April 3, 2013.

Political Intelligence: Financial Market Value of Government Information Hinges on Materiality and Timing. GAO-13-389. April 4, 2013.

Information Sharing: Agencies Could Better Coordinate to Reduce Overlap in Field-Based Activities. GAO-13-471. April 4, 2013.

Critical Infrastructure Protection: DHS Efforts to Assess Chemical Security Risk and Gather Feedback on Facility Outreach Can Be Strengthened. GAO-13-353. April 5, 2013.

Border Security: Partnership Agreements and Enhanced Oversight Could Strengthen Coordination of Efforts on Indian Reservations. GAO-13-352. April 5, 2013.

2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits. GAO-13-279SP. April 9, 2013.

President's Emergency Plan for AIDS Relief: Shift toward Partner- Country Treatment Programs Will Require Better Information on Results. GAO-13-460. April 12, 2013.

Strategic Sourcing: Leading Commercial Practices Can Help Federal Agencies Increase Savings When Acquiring Services. GAO-13-417. April 15, 2013.

Managing For Results: Agencies Have Elevated Performance Management Leadership Roles, but Additional Training Is Needed. GAO-13-356. April 16, 2013.

Grants Management: Oversight of Selected States' Disbursement of Federal Funds Addresses Timeliness and Administrative Allowances. GAO-13-392. April 16, 2013.

Medicare: Legislative Modifications Have Resulted in Payment Adjustments for Most Hospitals. GAO-13-334. April 17, 2013.

Prescription Drugs: Comparison of DOD and VA Direct Purchase Prices. GAO-13-358. April 19, 2013.

Managing For Results: Agencies Should More Fully Develop Priority Goals under the GPRA Modernization Act. GAO-13-174. April 19, 2013.

Data Center Consolidation: Strengthened Oversight Needed to Achieve Cost Savings Goal. GAO-13-378. April 23, 2013.

President's Emergency Plan For AIDS Relief: Drug Supply Chains Are Stronger, but More Steps Are Needed to Reduce Risks. GAO-13-483. April 26, 2013.

Centers for Disease Control and Prevention: Lobbying Policies and Monitoring for Program to Reduce Obesity and Tobacco Use. GAO-13-477R. April 30, 2013.

Social Security Administration: Preliminary Observations on the Death Master File. GAO-13-574T. May, 8, 2013.

Medicare Program Integrity: Few Payments in 2011 Exceeded Limits under One Kind of Prepayment Control, but Reassessing Limits Could Be Helpful. GAO-13-430. May 9, 2013.

Federal Reserve Banks: Areas for Improvement in Information Systems Controls. GAO-13-419R. May 9, 2013.

Bureau of the Public Debt: Areas for Improvement in Information Systems Controls. GAO-13-416R. May 9, 2013.

Management Report: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Controls. GAO-13-420R. May 13, 2013.

DOD Financial Management: Significant Improvements Needed in Efforts to Address Improper Payment Requirements. GAO-13-227. May 13, 2013.

Financial Audit: Congressional Award Foundation's Fiscal Years 2012 and 2011 Financial Statements. GAO-13-554. May 15, 2013.

Nuclear Nonproliferation: IAEA Has Made Progress in Implementing Critical Programs but Continues to Face Challenges. GAO-13-139. May 16, 2013.

Government Efficiency and Effectiveness: Opportunities to Reduce Fragmentation, Overlap, and Duplication through Enhanced Performance Management and Oversight. GAO-13-590T. May 22, 2013.

Grants Management: Improved Planning, Coordination, and Communication Needed to Strengthen Reform Efforts. GAO-13-383. May 23, 2013.

UN Compensation: United Nations Should Clarify the Process and Assumptions Underlying Secretariat Professional Salaries. GAO-13-526. May 29, 2013.

Corporate Income Tax: Effective Tax Rates Can Differ Significantly from the Statutory Rate. GAO-13-520. May 30, 2013.

Managing for Results: Leading Practices Should Guide the Continued Development of Performance.gov. GAO-13-517. June 6, 2013.

Information Technology: OMB and Agencies Need to Focus Continued Attention on Eliminating Duplicative Investments. GAO-13-685T. June 11, 2013.

Information Technology: Additional Executive Review Sessions Needed to Address Troubled Projects. GAO-13-524. June 13, 2013.

Personnel Security Clearances: Further Actions Needed to Improve the Process and Realize Efficiencies. GAO-13-728T. June 20, 2013.

Grants Performance: Justice and FEMA Collect Performance Data for Selected Grants, but Action Needed to Validate FEMA Performance Data. GAO-13-552. June 24, 2013.

U.S. Postal Service: Opportunities to Increase Revenue Exist with Competitive Products; Reviewing Long-Term Results Could Better Inform Promotions Decisions. GAO-13-578. June 25, 2013.

National Preparedness: FEMA Has Made Progress, but Additional Steps Are Needed to Improve Grant Management and Assess Capabilities. GAO-13-637T. June 25, 2013.

Program Evaluation: Strategies to Facilitate Agencies' Use of Evaluation in Program Management and Policy Making. GAO-13-570. June 26, 2013.

Managing For Results: Executive Branch Should More Fully Implement the GPRA Modernization Act to Address Pressing Governance Challenges. GAO-13-518. June 26, 2013.

Managing for Results: 2013 Federal Managers Survey on Organizational Performance and Management Issues. (GAO-13-519SP, June 2013), an E-supplement to GAO-13-518, GAO-13-519SP. June 26, 2013.

Medicare: Ownership Status of Inpatient Prospective Payment System Hospitals That Qualify for Payment Adjustments. GAO-13-667R. June 27, 2013.

Management Report: Improvements Needed in Controls over the Preparation of the U.S. Consolidated Financial Statements. GAO-13-540. June 28, 2013.

Grant Workforce: Agency Training Practices Should Inform Future Government-wide Efforts. GAO-13-591. June 28, 2013.

Federal Telework: Office of Personnel Management's 2012 Telework Report Shows Opportunities for Improvement. GAO-13-298R. June 28, 2013.

President's Emergency Plan for Aids Relief: Millions Being Treated, but Better Information Management Needed to Further Improve and Expand Treatment. GAO-13-688. July 8, 2013.

Strategic Sourcing: Improved and Expanded Use Could Provide Significant Procurement Savings. GAO-13-765T. July 15, 2013.

Department of Homeland Security: Oversight and Coordination of Research and Development Efforts Could Be Strengthened. GAO-13-766T. July 17, 2013.

U.S. Postal Service: Proposed Health Plan Could Improve Financial Condition, but Impact on Medicare and Other Issues Should Be Weighed before Approval. GAO-13-658. July 18, 2013.

Medicare Program Integrity: Increasing Consistency of Contractor Requirements May Improve Administrative Efficiency. GAO-13-522. July 23, 2013.

Overstay Enforcement: Additional Actions Needed to Assess DHS's Data and Improve Planning for a Biometric Air Exit Program. GAO-13-683. July 30, 2013.

Agricultural Trade: USDA Is Monitoring Market Development Programs as Required but Could Improve Analysis of Impact. GAO-13-740. July 31, 2013.

DOD Financial Management: Ineffective Risk Management Could Impair Progress toward Audit-Ready Financial Statements. GAO-13-123. August 2, 2013.

Health Care Workforce: Federally Funded Training Programs in Fiscal Year 2012. GAO-13-709R. August 15, 2013.

Disability Insurance: Work Activity Indicates Certain Social Security Disability Insurance Payments Were Potentially Improper. GAO-13-635. August 15, 2013.

Standards for Internal Control in the Federal Government: 2013 Exposure Draft. GAO-13-830SP. September 3, 2013.

Space: Defense and Civilian Agencies Request Significant Funding for Launch-Related Activities. GAO-13-802R. September 9, 2013.

Small Business Administration: Review of 7(a) Guaranteed Loans to Select Franchisees. GAO-13-759. September 10, 2013.

Security Clearances: Additional Mechanisms May Aid Federal Tax-Debt Detection. GAO-13-733. September 10, 2013.

National Archives and Records Administration: Actions Needed to Ensure Facilities That Store Federal Records Meet Standards. GAO-13-668. September 10, 2013.

Information Technology: Key Federal Agencies Need to Address Potentially Duplicative Investments. GAO-13-718. September 12, 2013.

Federal Data Transparency: Opportunities Remain to Incorporate Lessons Learned as Availability of Spending Data Increases. GAO-13-758. September 12, 2013.

Supply Chain Security: DHS Could Improve Cargo Security by Periodically Assessing Risks from Foreign Ports. GAO-13-764. September 16, 2013.

DHS Recruiting and Hiring: DHS Is Generally Filling Mission-Critical Positions, but Could Better Track Costs of Coordinated Recruiting Efforts. GAO-13-742. September 17, 2013.

Federal Real Property: Greater Transparency and Strategic Focus Needed for High-Value GSA Leases. GAO-13-744. September 19, 2013.

U.S. Postal Service: Health and Pension Benefits Proposals Involve Trade-offs. GAO-13-872T. September 26, 2013.

Federal Information Security: Mixed Progress in Implementing Program Components; Improved Metrics Needed to Measure Effectiveness. GAO-13-776. September 26, 2013.

Department of Homeland Security: Opportunities Exist to Enhance Visibility over Collaborative Field Mechanisms. GAO-13-734. September 27, 2013.

Nuclear Terrorism Response Plans: Major Cities Could Benefit from Federal Guidance on Responding to Nuclear and Radiological Attacks. GAO-13-736. September 30, 2013.

Health Care Workforce: HRSA Action Needed to Publish Timely National Supply and Demand Projections. GAO-13-806. September 30, 2013.

Health Care Fraud and Abuse Control Program: Indicators Provide Information on Program Accomplishments, but Assessing Program Effectiveness is Difficult. GAO-13-746. September 30, 2013.

DHS Financial Management: Additional Efforts Needed to Resolve Deficiencies in Internal Controls and Financial Management Systems. GAO-13-561. September 30, 2013.

Civil Support: Actions Are Needed to Improve DOD's Planning for a Complex Catastrophe. GAO-13-763. September 30, 2013.

Federal Real Property: Selected Agencies Plan to Use Workforce Mobility to Reduce Space, but Most Efforts Are Too New to Have Realized Savings. GAO-14-41. October 17, 2013.

Electronic Health Records: Number and Characteristics of Providers Awarded Medicare Incentive Payments for 2011-2012. GAO-14-21R. October 24, 2013.

Medicare Program Integrity: Contractors Reported Generating Savings, but CMS Could Improve Its Oversight. GAO-14-111. October 25, 2013.

2020 Census: Additional Actions Could Strengthen Future Census Test Designs. GAO-14-26. October 25, 2013.

Federal Real Property: Improved Standards Needed to Ensure That Agencies' Reported Cost Savings Are Reliable and Transparent. GAO-14-12. October 29, 2013.

Personnel Security Clearances: Full Development and Implementation of Metrics Needed to Measure Quality of Process. GAO-14-157T. October 31, 2013.

Federal Real Property: GSA Should Clarify Savings Goals for the National Broker Contract Program. GAO-14-14. October 31, 2013.

Information Technology: Agencies Need to Strengthen Oversight of Multibillion Dollar Investments in Operations and Maintenance. GAO-14-66. November 6, 2013.

Information Technology: Additional OMB and Agency Actions Are Needed to Achieve Portfolio Savings. GAO-14-65. November 6, 2013.

GPS Disruptions: Efforts to Assess Risks to Critical Infrastructure and Coordinate Agency Actions Should Be Enhanced. GAO-14-15. November 6, 2013.

Federal Employees Health Benefits Program: Oversight of Carriers' Fraud and Abuse Programs. GAO-14-39. November 14, 2013.

Personnel Security Clearances: Actions Needed to Help Ensure Correct Designations of National Security Positions. GAO-14-139T. November 20, 2013.

Federal Autism Activities: Better Data and More Coordination Needed to Help Avoid the Potential for Unnecessary Duplication. GAO-14-16. November 20, 2013.

2020 Census: Bureau Needs to Improve Scheduling Practices to Enhance Ability to Meet Address List Development Deadlines. GAO-14-59. November 21, 2013.

National Preparedness: Actions Taken by FEMA to Implement Select Provisions of the Post-Katrina Emergency Management Reform Act of 2006. GAO-14-99R. November 26, 2013.

Social Security Death Data: Additional Action Needed to Address Data Errors and Federal Agency Access. GAO-14-46. November 27, 2013.

Health Resources and Services Administration: Review of Internal Communication Mechanisms, Staffing, and Use of Contracts. GAO-14-52. December 3, 2013.

DHS Management and Administration Spending: Reliable Data Could Help DHS Better Estimate Resource Requests. GAO-14-27. December 4, 2013.

Telecommunications: GSA Needs to Share and Prioritize Lessons Learned to Avoid Future Transition Delays. GAO-14-63. December 5, 2013.

Border Security: DHS's Efforts to Modernize Key Enforcement Systems Could be Strengthened. GAO-14-62. December 5, 2013.

Medicaid: CMS Should Ensure That States Clearly Report Overpayments. GAO-14-25. December 6, 2013.

Internal Controls: Corrective Actions Under Way to Address Control Deficiencies at the Morris K. Udall and Stewart L. Udall Foundation. GAO-14-95. December 6, 2013.

Reverse Auctions: Guidance Is Needed to Maximize Competition and Achieve Cost Savings. GAO-14-108. December 9, 2013.

Information Security: Agency Responses to Breaches of Personally Identifiable Information Need to Be More Consistent. GAO-14-34. December 9, 2013.

Fiscal Year 2013 Agreed-Upon Procedures: Excise Tax Distributions to the Airport and Airway Trust Fund and the Highway Trust Fund. GAO-14-162R. December 9, 2013.

IT Dashboard: Agencies Are Managing Investment Risk, but Related Ratings Need to Be More Accurate and Available. GAO-14-64. December 12, 2013.

Financial Audit: IRS's Fiscal Years 2013 and 2012 Financial Statements. GAO-14-169. December 12, 2013.

Financial Audit: Bureau of the Fiscal Service's Fiscal Years 2013 and 2012 Schedules of Federal Debt. GAO-14-173. December 12, 2013.

Homeland Security: Federal Protective Service Continues to Face Challenges with Contract Guards and Risk Assessments at Federal Facilities. GAO-14-235T. December 17, 2013.

IRS's Offshore Voluntary Disclosure Program: 2009 Participation by State and Location of Foreign Bank Accounts. GAO-14-265R. January 6, 2014.

Federal Real Property: Actions Needed to Improve How Agencies Manage Structures. GAO-14-87. January 6, 2014.

U.S. Postal Service: Actions Needed to Strengthen the Capital Investment Process. GAO-14-155. January 7, 2014.

Department of Homeland Security: Ammunition Purchases Have Declined since 2009. GAO-14-119. January 13, 2014.

Computer Matching Act: OMB and Selected Agencies Need to Ensure Consistent Implementation. GAO-14-44. January 13, 2014.

Federal Real Property: Improved Transparency Could Help Efforts to Manage Agencies' Maintenance and Repair Backlogs. GAO-14-188. January 23, 2014.

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Federal Rulemaking: Regulatory Review Processes Could Be Enhanced. GAO-14-423T. March 11, 2014.

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Electricity Markets: Demand-Response Activities Have Increased, but FERC Could Improve Data Collection and Reporting Efforts. GAO-14-73. March 27, 2014.

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2020 Census: Prioritized Information Technology Research and Testing Is Needed for Census Design Decisions. GAO-14-389. April 3, 2014.

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Inspectors General: Oversight of Small Federal Agencies and the Role of the Inspectors General. GAO-14-503T. April 10, 2014.

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Information Technology: Implementing Best Practices and Reform Initiatives Can Help Improve the Management of Investments. GAO-14-596T. May 8, 2014.

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Management Report: Improvements Needed in Controls over the Processes Used to Prepare the U.S. Consolidated Financial Statements. GAO-14-543. June 19, 2014.

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New Markets Tax Credit: Better Controls and Data Are Needed to Ensure Effectiveness. GAO-14-500. July 10, 2014.

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Crop Insurance: Considerations in Reducing Federal Premium Subsidies. GAO-14-700. August 8, 2014.

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Managing for Results: Selected Agencies Need to Take Additional Efforts to Improve Customer Service. GAO-15-84. October 24, 2014.

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Information Sharing: DHS Is Assessing Fusion Center Capabilities and Results, but Needs to More Accurately Account for Federal Funding Provided to Centers. GAO-15-155. November 4, 2014.

Fiscal Year 2014 Agreed-Upon Procedures: Excise Tax Distributions to the Airport and Airway Trust Fund and the Highway Trust Fund. GAO-15-152R. November 6, 2014.

Financial Audit: Office of Financial Stability (Troubled Asset Relief Program) Fiscal Years 2014 and 2013 Financial Statements. GAO-15-132R. November 7, 2014.

Financial Audit: Bureau of the Fiscal Service's Fiscal Years 2014 and 2013 Schedules of Federal Debt. GAO-15-157. November 10, 2014.

Program Evaluation: Some Agencies Reported that Networking, Hiring, and Involving Program Staff Help Build Capacity. GAO-15-25. November 13, 2014.

Financial Audit: Securities and Exchange Commission's Fiscal Years 2014 and 2013 Financial Statements. GAO-15-166R. November 17, 2014.

Consumer Product Safety Oversight: Opportunities Exist to Strengthen Coordination and Increase Efficiencies and Effectiveness. GAO-15-52. November 19, 2014.

VI. OFFICIAL COMMUNICATIONS

During the 113th Congress, 964 official communications were referred to the Committee. Of these, 956 were Executive Communications, and 8 were Petitions or Memorials. Of the official communications, 347 dealt with the District of Columbia.

VII. LEGISLATIVE ACTIONS

During the 113th Congress, the Committee reported significant legislation that was approved by Congress and signed into law by the President.

The following are brief legislative histories of measures to the Committee and, in some cases, drafted by the Committee, which (1) became public law or (2) were favorably reported from the Committee and passed by the Senate, but did not become law. In addition to the measures listed below, the Committee received during the 113th Congress numerous legislative proposals that were not considered or reported, or that were reported but not passed by the Senate. Additional information on these measures appears in the Committee's Legislative Calendar for the 113th Congress, S. Prt. 113-63, Government Printing Office (December 31, 2011).

MEASURES ENACTED INTO LAW

The following measures considered by the Committee were enacted into Public Law. The descriptions following the signing date of each measure note selected provisions of the text, and are not intended to serve as section-by-section summaries.

H.R. 1171.—Formerly Owned Resources for Veterans to Express Thanks for Service Act of 2013 or FOR VETS Act of 2013. (Public Law 113-26). August 9, 2013.

Authorizes the transfer of Federal surplus property to a state agency for distribution through donation within the state for purposes of education or public health for organizations whose mem-

bership comprises substantially veterans and whose representatives are recognized by the Secretary of Veterans Affairs (VA) in the preparation, presentation, and prosecution of claims under laws administered by the Secretary.

H.R. 1233.—Presidential and Federal Records Act Amendments of 2014. (Public Law 113–187). November 26, 2014.

(Sec. 2) Amends the Presidential Records Act to require the Archivist of the United States, upon determining to make publicly available any presidential record not previously made available, to: (1) promptly provide written notice of such determination to the former President during whose term of office the record was created, to the incumbent President, and to the public; and (2) make such record available to the public within 60 days, except any record with respect to which the Archivist receives notification from a former or incumbent President of a claim of constitutionally-based privilege against disclosure. Prohibits the Archivist from making a record that is subject to such a claim publicly available unless: (1) the incumbent President withdraws a decision upholding the claim, or (2) the Archivist is otherwise directed to do so by a final court order that is not subject to appeal. Prohibits the Archivist from making available any original presidential records to anyone claiming access to them as a designated representative of a President or former President if that individual has been convicted of a crime relating to the review, retention, removal, or destruction of the records of the Archives. Prohibits the President, the Vice President, or a covered employee (i.e., the immediate staff of the President and Vice President or office advising and assisting the President or Vice President) from creating or sending a presidential or vice presidential record using a non-official electronic messaging account unless the President, Vice President, or covered employee: (1) copies an official electronic messaging account of the President, Vice President, or covered employee in the original creation or transmission of the presidential or vice presidential record; or (2) forwards a complete copy of the presidential record to an official electronic messaging account of the President, Vice President, or covered employee not later than 20 days after the original creation or transmission of the presidential or vice presidential record. (Sec. 3) Provides that the transfer to the Archivist of records by a Federal agency that have historical significance shall take place as soon as practicable but not later than 30 years after the creation or receipt of such records by an agency. Expands the authority of the Archivist with respect to the creation and preservation of audio and visual records. (Sec. 5) Revises the definition of “records” for purposes of this Act to include all recorded information, regardless of form or characteristics. Makes the Archivist’s determination of whether recorded information is a record binding on all Federal agencies. (Sec. 6) Directs the Archivist to prescribe internal procedures to prevent the unauthorized removal of classified records from the National Archives and Records Administration (NARA) or the destruction or damage of such records, including when such records are accessed electronically. Requires such procedures to: (1) prohibit any person, other than personnel with appropriate security clearances (covered personnel), from viewing classified records in any room that is not secure, except in the presence of NARA personnel or under video surveillance, from being left alone with clas-

sified records unless under video surveillance, or from conducting any review of classified records while in the possession of any personal communication device; (2) require all persons seeking access to classified records to consent to a search of their belongings upon conclusion of their records review; and (3) require all writings prepared by persons, other than covered personnel, during the course of a review of classified records to be retained by NARA in a secure facility until such writings are determined to be unclassified, are declassified, or are securely transferred to another secure facility. (Sec. 7) Repeals provisions authorizing the National Study Commission on Records and Documents of Federal Officials. (Sec. 9) Transfers responsibility for records management from the Administrator of the General Services Administration (GSA) to the Archivist. Requires the transfer of records from Federal agencies to the National Archives in digital or electronic form to the greatest extent possible. (Sec. 10) Prohibits an officer or employee of an executive agency from creating or sending a record using a non-official electronic messaging account unless such officer or employee: (1) copies an official electronic messaging account of the officer or employee in the original creation or transmission of the record, or (2) forwards a complete copy of the record to an official electronic messaging account of the officer or employee not later than 20 days after the original creation or transmission of the record. Provides for disciplinary action against an agency officer or employee for an intentional violation of such prohibition.

H.R. 2952.—Cybersecurity Workforce Assessment Act. (Public Law 113–246). December 18, 2014.

Directs the Secretary of Homeland Security, within 180 days and annually thereafter for three years, to conduct an assessment of the cybersecurity workforce of the Department of Homeland Security (DHS), which shall include information on:

- The readiness and capacity of such workforce to meet its cybersecurity mission;
- Where cybersecurity workforce positions are located within DHS;
- Which such positions are performed by permanent full-time equivalent DHS employees, by independent contractors, and by individuals employed by other Federal agencies;
- Which such positions are vacant;
- The percentage of individuals within each Cybersecurity Category and Specialty Area who received essential training to perform their jobs; and
- In cases in which such training was not received, what challenges were encountered regarding the provision of such training.

Directs the Secretary to develop, maintain, and update a comprehensive workforce strategy to enhance the readiness, capacity, training, recruitment, and retention of DHS's cybersecurity workforce, which shall include a description of:

- A multi-phased recruitment plan,
- A 5-year implementation plan,
- A 10-year projection of the cybersecurity workforce needs of DHS,

- Any obstacle impeding the hiring and development of such workforce, and
- Any gap in the existing DHS cybersecurity workforce and a plan to fill such gap.

Requires the Secretary to submit to the appropriate congressional committees: (1) annual updates on such assessment and on the Secretary's progress in carrying out such strategy; and (2) a report on the feasibility, cost, and benefits of establishing a Cybersecurity Fellowship Program to offer a tuition payment plan for individuals pursuing undergraduate and doctoral degrees who agree to work for DHS for an agreed-upon period.

H.R. 4007.—Protecting and Securing Chemical Facilities from Terrorist Attacks Act of 2014. (Public Law 113–263). December 18, 2014.

(Sec. 2) Amends the Homeland Security Act of 2002 to reestablish the Chemical Facility Anti-Terrorism Standards (CFATS) Program in the Department of Homeland Security (DHS) and to authorize appropriations for such Program for FY2015–FY2017. Requires the Secretary of Homeland Security, under such Program, to: (1) establish risk-based performance standards designed to protect covered chemical facilities from acts of terrorism and other security risks; and (2) require such facilities to submit security vulnerability assessments and develop and implement site security plans. Authorizes the Secretary to approve an alternative security program established by a private sector entity or a Federal, State, or local authority that meets the requirements of this Act. Requires the Secretary to:

- Review and approve or disapprove each such assessment and plan using the risk assessment policies and procedures developed under this Act;
- Conduct the audit and inspection of covered chemical facilities, including by using a non-government entity, to determine compliance with this Act;
- Prescribe standards for the training and retraining of DHS or non-governmental auditors and inspectors; and
- Provide written notification (including a clear explanation of any deficiency in the security vulnerability assessment or site security plan) to the owner or operator of a covered facility determined to not be in compliance with this Act; and
- Issue to the owner or operator of such a facility an order to comply with this Act.

Authorizes the Secretary to issue an order assessing a civil penalty or requiring such a facility to cease operations if the owner or operator fails to comply. Defines: (1) a "covered chemical facility" to mean a chemical facility that the Secretary designates as a facility of interest and determines meets specified risk criteria, and (2) a "chemical facility of interest" to mean a facility that holds a chemical of interest at a threshold quantity that meets relevant risk-related criteria developed under this Act. Excepts certain chemical facilities, including Department of Defense (DOD) and Department of Energy (DOE) facilities. Requires the Secretary to carry out a Personnel Surety Program that provides a participating facility owner or operator with feedback about individuals based on vetting against the terrorist screening database. Authorizes a covered chemical facility to use such a Federal screening program in

order to satisfy the requirements of a risk-based performance standard that address personnel surety. Requires the Secretary to direct DHS's Security Screening Coordination Office to coordinate with the National Protection and Programs Directorate to expedite the development of a common credential that screens against the terrorist screening database on a recurrent basis. Directs the Secretary to: (1) consult with the heads of other Federal agencies, states and political subdivisions, and relevant business associations to identify all chemical facilities of interest; and (2) develop a risk assessment approach and corresponding tiering methodology that incorporates all relevant elements of risk, including threat, vulnerability, and consequence. Requires the criteria for determining the security risk of terrorism associated with a facility to include: (1) the relevant threat information, (2) the potential economic consequences and the potential loss of human life in the event of the facility being subject to a terrorist attack, and (3) the vulnerability of the facility to a terrorist attack. Requires: (1) information developed pursuant to this Act to be protected from public disclosure, but permits the sharing of such information with state and local government officials possessing the necessary security clearances; and (2) information submitted to or obtained by the Secretary under this Act to be treated as classified material in any proceeding to enforce this Act. Sets forth civil penalties for violations of orders issued under this Act. Directs the Secretary to publish, including on the DHS website, the whistleblower protections that an individual providing information under this Act would have. Requires: (1) the Secretary to submit to Congress, within 18 months after enactment of this Act, a report on the CFATS Program, including certifications that the Secretary has made significant progress in the identification of all chemical facilities of interest and has developed a risk assessment approach and corresponding tiering methodology and an assessment of DHS's implementation of any recommendations made by the Homeland Security Studies and Analysis Institute as outlined in the Institute's Tiering Methodology Peer Review; and (2) the Comptroller General (GAO) to submit a semiannual assessments of the implementation of this Act. Authorizes the Secretary to: (1) provide guidance and tools, methodologies, or computer software to assist small covered chemical facilities (covered facilities having fewer than 350 employees) in developing their physical security; and (2) submit a report on best practices that may assist small chemical facilities. Directs the Secretary to: (1) establish an outreach implementation plan to identify chemical facilities of interest and make available compliance assistance materials and information on education and training, (2) commission a third-party study to assess vulnerabilities to acts of terrorism associated with the Program, and (3) submit a plan for the utilization of metrics to assess the effectiveness of the Program to reduce the risk of a terrorist attack or other security risk to citizens and communities surrounding covered chemical facilities.

H.R. 4194.— Government Reports Elimination Act of 2014. (Public Law 113–188). November 26, 2014.

Provides for the elimination or modification of reporting and notification requirements of specified Federal agencies and departments. Title I: Department of Agriculture—Eliminates: (1) peanut base acres data collection and publication under the Food, Con-

servation, and Energy Act of 2008; (2) the report on export credit guarantees to emerging markets; (3) the evaluation of the rural development, business and industry guaranteed loan program financing of locally or regionally produced food products; (4) quarterly reports on export assistance provided by the Commodity Credit Corporation and the Secretary of Agriculture; (5) annual progress reports in achieving benchmarks established in the regional investment strategy of the Rural Collaborative Investment Program; and (6) the annual report on the foreign market development cooperator program. Title II: Department of Commerce—Eliminates: (1) the annual report on efforts and progress of colleges, universities, institutions, associations, and alliances to be designated as Sea Grant Colleges or Institutes; (2) the annual report on Enterprise Integration Standardization and Implementation activities under the Enterprise Integration Act of 2001; (3) the biennial report on efforts to ensure equal access to the Sea Grant Fellowship Program; (4) the annual reports on activities of the Technology Innovation Program (TIP) and on the Technology Innovation Program Advisory Board; and (5) the annual report on activities of the Northwest Atlantic Fisheries Commission and related entities. Title III: Corporation for National and Community Service—Eliminates: (1) the reporting requirements of Federal agencies and departments to the Corporation for National and Community Service, and (2) the impact study and report on service-learning activities. Title IV: Department of Defense (DOD)—Eliminates: (1) the requirement for submission with the annual DOD budget of a display that covers all programs and activities of the Air Sovereignty Alert Mission of the Air Force, and (2) the annual report on the reliability of DOD financial statements. Title V: Department of Education—Eliminates the report of the Secretary of Education justifying the award of school facility emergency and modernization grants. Title VI Department of Energy (DOE)—Eliminates reports on: (1) the science and engineering education pilot program, (2) the development of strategic unconventional fuels, and (3) energy efficiency standards for industrial equipment. Title VII: Environmental Protection Agency (EPA)—Amends the Federal Water Pollution Control Act (commonly known as the Clean Water Act) to eliminate the comprehensive report on Great Lakes management. Title VIII: Executive Office of the President—Eliminates the notification requirement and the report on waivers of sanctions by the President against North Korea. Title IX: Government Accountability Office (GAO)—(Sec. 901) Eliminates reports on: (1) expenditures of local educational agencies under the Elementary and Secondary Education Act of 1965, and (2) the use of funds under the American Recovery and Reinvestment Act of 2009 by states and local governments. Amends the Help America Vote Act of 2002 to eliminate the mandatory audit of all funds provided by such Act. Amends the Small Business Jobs Act of 2010 to eliminate the audits and reports on the state small business credit initiative and the small business lending fund program. Amends the Food, Conservation, and Energy Act of 2008 to eliminate the audit and report on assistance to the Housing Assistance Council. (Sec. 902) Amends the Patient Protection and Affordable Care Act to make the Secretary of Health and Human Resources (HHS) (currently, the Secretary and the Comptroller General) responsible for surveying the public with

respect to health and health care. Requires the Comptroller General to publish on the GAO website (currently, deliver to Congress) lists of GAO reports. Amends the Congressional Award Act to provide for a independent public accountant (currently, the Comptroller General) to conduct the annual audit of the financial records of the Congressional Award Board. Requires the Comptroller General to review, and report on, each annual audit. Amends title XVIII (Medicare) of the Social Security Act to terminate at the end of 2014 the review by the Comptroller General of the threshold amount for injury-related liabilities under Medicare. Title X: Department of Homeland Security (DHS)—Eliminates: (1) reporting requirements under the Tariff Act of 1930 relating to the prohibition on importation of products made with dog or cat fur, (2) the biennial Port of Entry Infrastructure Assessment Study, (3) the biennial National Land Border Security Plan, (4) reporting requirements with respect to fees for customs services, and (5) the status report on the modernization of the National Distress and Response System. Title XI: Department of the Interior—Eliminates reporting requirements of the program on oil and gas royalties in-kind. Title XII: Department of Labor—Eliminates the continuing study by the Secretary of Labor on the impact of the Andean trade preference on U.S. labor. Title XIII: Office of the Director of National Intelligence (DNI)—Eliminates the report on the Treaty on Conventional Armed Forces in Europe. Title XIV: Department of State—Eliminates the annual State Department report on nuclear proliferation in South Asia and efforts to achieve a regional agreement on nuclear non-proliferation. Title XV: Department of Transportation (DOT)—(Sec. 1601) Eliminates: (1) the reporting requirements of the Air Traffic Services Committee, (2) the annual summaries of airport financial reports, (3) the annual report on pipeline safety information grants to communities, (4) the annual report on the pilot program for innovative financing of air traffic control equipment and the reports on justifications for air defense identification zones under the Vision 100—Century of Aviation Reauthorization Act, and (5) the annual report on the application of new standards or technologies to reduce aircraft noise levels under the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century. (Sec. 1502) Eliminates the requirement for an annual evaluation and audit of the programs and expenditures of the National Transportation Safety Board (NTSB), allowing such evaluation and audit to be conducted as determined necessary by the Comptroller General. Title XVI: Department of the Treasury—Eliminates: (1) the annual report on the North American Development Bank, (2) the annual report on loans considered by the Boards of Executive Directors of international financial institutions engaged in activities to promote the cause of human rights, (3) the report on new International Monetary Fund (IMF) borrowing arrangements regarding rates and maturities, and (4) the requirement for notification to Congress of any significant modifications in the auction process for issuing Treasury obligations. Title XVII: Department of Veterans Affairs (VA)—Eliminates the annual report on procurement of health care items by VA medical facilities.

H.R. 4197.—All Circuit Review Extension Act (Public Law 113–170). September 26, 2014.

Extends from two to five years after the effective date of the Whistleblower Protection Enhancement Act of 2012 (i.e., December 27, 2012), the period allowed for: (1) filing a petition for judicial review of Merit Systems Protection Board decisions in whistleblower cases, and (2) any review of such a decision by the Director of the Office of Personnel Management (OPM).

S. 231.—Multinational Species Conservation Funds Semipostal Stamp Reauthorization Act of 2013. (Public Law 113–165). September 19, 2014. Amends the Multinational Species Conservation Funds Semipostal Stamp Act of 2010 to require such stamp to be made available to the public for an additional four years.

S. 994.—Digital Accountability and Transparency Act of 2014 or the DATA Act. (Public Law 113–101). May 9, 2014.

(Sec. 2) States as the purposes of this Act to: (1) expand the Federal Funding Accountability and Transparency Act of 2006 by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to Federal programs to enable taxpayers and policy makers to track Federal spending more effectively; (2) establish government-wide data standards for financial data and provide consistent, reliable, and searchable government-wide spending data that is displayed accurately for taxpayers and policy makers on USASpending.gov; (3) simplify reporting for entities receiving Federal funds by streamlining reporting requirements and reducing compliance costs while improving transparency; (4) improve the quality of data submitted to USASpending.gov by holding Federal agencies accountable for the completeness and accuracy of the data submitted; and (5) apply approaches developed by the Recovery Accountability and Transparency Board to spending across the Federal Government. (Sec. 3) Amends the Federal Funding Accountability and Transparency Act of 2006 to define “Federal agency,” for purposes of such Act, to mean an executive department, a government corporation, or an independent establishment. Directs the Secretary of the Treasury, not later than three years after the enactment of this Act and monthly, when practicable, but not less than quarterly thereafter, to ensure that information on funds made available to or expended by a Federal agency is posted online, in a searchable, downloadable format. Directs the Secretary and the Director of the Office of Management and Budget (OMB) to establish government-wide financial data standards for Federal funds and entities receiving such funds. Requires such data standards, to the extent reasonable and practicable, to: (1) incorporate widely-accepted common data elements and a widely-accepted, nonproprietary, searchable, platform-independent, computer-readable format; (2) include government-wide universal identifiers for Federal awards and entities; (3) be consistent with and implement applicable accounting principles; (4) be capable of being continually updated; (5) produce consistent and comparable data; and (6) establish a standard method of conveying the reporting period, reporting entity, unit of measure, and other associated attributes. Requires the Secretary and the Director to issue guidance to Federal agencies on such data standards and consult with public and private stakeholders in establishing such standards. Requires the Director to review the information required to be reported by recipients of Federal awards to identify: (1) common reporting elements across the Federal Government, (2)

unnecessary duplication in financial reporting, and (3) unnecessarily burdensome reporting requirements for recipients of Federal awards. Requires the Director to establish a two-year pilot program to develop recommendations for: (1) standardized reporting elements across the Federal Government, (2) the elimination of unnecessary duplication in financial reporting, and (3) the reduction of compliance costs for recipients of Federal awards. Requires such pilot program to include: (1) a combination of Federal contracts, grants, and subawards, with an aggregate value of not less than \$1 billion and not more than \$2 billion; (2) a diverse group of recipients of Federal awards; (3) recipients who receive awards from multiple programs across multiple agencies; and (4) data collected during a 12-month reporting cycle. Requires the Director, not later than 90 days after the termination of the pilot program, to submit a report to the House Committees on the Budget and Oversight and Government Reform and the Senate Committees on the Budget and Homeland Security and Governmental Affairs that includes: (1) a description of the data collected under the pilot program, its usefulness, and the cost to collect the data from other recipients; and (2) recommendations. Directs the Inspector General of each Federal agency to: (1) review a statistically valid sampling of the spending data submitted under this Act by the Federal agency; and (2) submit to Congress and make publicly available a report assessing the completeness, timeliness, quality, and accuracy of the data sampled and the implementation and use of data standards by the Federal agency. Directs the Comptroller General (GAO) to submit a publicly available report to Congress assessing and comparing the data completeness, timeliness, quality, and accuracy of the data submitted under this Act by Federal agencies and the implementation and use of data standards by Federal agencies. Authorizes the Secretary to establish a data analysis center, or expand an existing service, to provide data, analytic tools, and data management techniques to support: (1) the prevention and reduction of improper payments, and (2) the improvement of efficiency and transparency in Federal spending. Transfers assets of the Recovery Accountability and Transparency Board to the Department of the Treasury upon the establishment of the data analysis center. Declares that nothing in this Act: (1) shall require disclosure to the public of information protected from disclosure under the Freedom of Information Act (FOIA) or information protected under the Privacy Act of 1974 or the Internal Revenue Code; and (2) shall be construed to create a private right of action. (Sec. 4) Requires the OMB Director to make available on the OMB website a financial management status report and government-wide five-year financial management plan. (Sec. 5) Requires a Federal agency to notify the Secretary of the Treasury of any legally enforceable non-tax debt owed to such agency that is over 120 (currently, 180) days delinquent so that the Secretary can offset such debt administratively. Requires the Secretary to notify Congress of any instance in which an agency fails to notify the Secretary of such a debt.

S. 1348.—Congressional Award Program Reauthorization Act of 2013. (Public Law 113–43). October 4, 2013.

Amends the Congressional Award Act to extend the date for termination of the Congressional Award Board from October 1, 2013, to October 1, 2018.

S. 1691.—Border Patrol Agent Pay Reform Act of 2014. (Public Law 113–277). December 18, 2014.

(Sec. 2) States as the purposes of this Act: (1) strengthening U.S. Customs and Border Protection (CBP) and ensuring that border patrol agents are sufficiently ready to conduct necessary work and will perform overtime hours in excess of a 40-hour workweek based on the needs of CBP, and (2) ensuring CBP has the flexibility to cover shift changes and retains the right to assign scheduled and unscheduled work for mission requirements and planning based on operational need. Requires a border patrol agent, not later than 30 days before the first day of each year beginning after the enactment of this Act, to make an election whether such agent shall, for that year, be assigned to: (1) the level 1 border patrol rate of pay (i.e., hourly rate of pay equal to 1.25 times the otherwise applicable hourly rate of basic pay); (2) the level 2 border patrol rate of pay (i.e., the hourly rate of pay equal to 1.125 times the otherwise hourly rate of basic pay); or (3) the basic border patrol rate of pay, with additional overtime as needed by CBP. Requires: (1) the Office of Personnel Management (OPM) to promulgate regulations establishing procedures for such elections, and (2) CBP to provide each border patrol agent with information on each type of election available and how to make an election. Exempts from such limitation agents working at CBP headquarters or a CBP training location. Provides that an agent who fails to elect a pay level or an agent who is assigned a canine shall be assigned to the level 1 rate of pay. Requires CBP to: (1) assign an agent to the basic border patrol rate of pay until it determines that the agent is able to perform scheduled overtime on a daily basis, and (2) take such action to ensure that not more than 10 percent of the agents stationed at a location are assigned to the level 2 border patrol rate of pay or the basic border patrol rate of pay. Allows CBP to waive the 10 percent limitation if it determines that it may do so and adequately fulfill its operational requirements. Requires CBP to develop, implement, and report on, a plan to ensure that the assignment of a border patrol agent during the three years of service before such agent becomes eligible for immediate retirement are consistent with the average border patrol rate of pay level to which the agent has been assigned during the course of his or her career. Requires the Comptroller General (GAO) to report to Congress on the effectiveness of the plan in ensuring that agents are not able to artificially enhance their retirement annuities. Specifies the terms and conditions of level 1 and 2 border patrol rates of pay, premium pay, eligibility for leave without pay, overtime, and compensatory time off. Requires CBP to avoid the use of scheduled overtime work by border patrol agents to the maximum extent practicable. Includes supplemental pay from levels 1 and 2 rates of pay as part of a border patrol agent's basic pay for purposes of calculating retirement annuities. Requires: (1) CBP to conduct a comprehensive analysis that examines the staffing requirements for CBP and estimates the cost of such requirements and submit a report on such analysis to GAO, and (2) GAO to report on the methodology used by CBP to carry out its analysis and whether GAO concurs with the findings in the CBP report. States that nothing in this Act shall be construed to: (1) limit the right of CBP to assign both scheduled and unscheduled work to a border patrol agent based on the needs of the agen-

cy in excess of the hours of work normally applicable under the election made by the agent; (2) require compensation of an agent for other than for hours during which the agent is actually performing work or using approved leave; or (3) exempt an agent from any limitations on pay, earnings, or compensation prescribed by law. Requires OPM to promulgate regulations to carry out this Act. (Sec. 3) Amends the Homeland Security Act of 2002 to authorize the Secretary of Homeland Security to: (1) establish positions in the excepted service in which the incumbent performs, manages, or supervises functions that execute the responsibilities of the Department of Homeland Security (DHS) relating to cybersecurity (qualified positions), including positions formerly identified as senior level positions and positions in the Senior Executive Service (SES); and (2) appoint an individual to such a qualified position. Requires the Secretary to fix the rates of basic pay for any qualified position in relation to the rates of pay provided for comparable positions in the Department of Defense (DOD) and allows the Secretary to provide such employees with additional compensation, incentives, and allowances. Requires the Secretary to annually submit to Congress for five years a report that: (1) discusses the process used in accepting applications and accessing candidates for qualified positions, ensuring adherence to veteran preferences; (2) describes how the Secretary plans to fulfill the critical need of DHS to recruit and retain employees in a qualified position; (3) discusses how such planning is integrated into the strategic workforce of DHS; (4) provides information on the number of employees, including veterans, hired and the number of separations and retirements of employees in qualified positions; and (5) describes the training provided to supervisors of employees in qualified positions on the use of new authorities. Establishes a probationary period of three years for all employees hired. Directs the National Protection and Programs Directorate to report to Congress on the availability of, and benefits of using, cybersecurity personnel and facilities outside of the National Capital Region. (Sec. 4) Homeland Security Cybersecurity Workforce Assessment Act—Requires the Secretary to: (1) identify all cybersecurity workforce positions within DHS; (2) determine the primary cybersecurity work category and specialty area of all DHS cybersecurity workforce positions; (3) assign the corresponding data element code, as set forth in OPM's Guide to Data Standards, that is aligned with the National Initiative for Cybersecurity Education's National Cybersecurity Workforce Framework report; (4) establish procedures to identify open positions that include cybersecurity functions; and (5) assign the appropriate employment code to each such position. Directs the Secretary, annually through 2021, to: (1) identify cybersecurity work categories and specialty areas of critical need in the DHS cybersecurity workforce, and (2) submit a report to the OPM Director that describes such categories and areas and substantiates the critical need designations. Requires: (1) the OPM Director to provide the Secretary with guidance for identifying cybersecurity work categories and specialty areas of critical need, including areas with acute skill and emerging skill shortages; and (2) the Secretary to identify specialty areas of critical need in DHS's cybersecurity workforce and submit a progress report to Congress. Directs GAO to analyze, monitor, and

report on the implementation of DHS cybersecurity workforce measures.

S. 2519.—National Cybersecurity Protection Act of 2014. (Public Law 113–282). December 18, 2014.

(Sec. 3) Amends the Homeland Security Act of 2002 to establish a national cybersecurity and communications integration center in the Department of Homeland Security (DHS) to carry out the responsibilities of the DHS Under Secretary responsible for overseeing critical infrastructure protection, cybersecurity, and related DHS programs. Requires the center to be the Federal civilian interface for sharing cybersecurity risks, incidents, analysis, and warnings for Federal and non-Federal entities. Directs the center to: (1) enable real-time, integrated, and operational actions across Federal and non-Federal entities; (2) facilitate cross-sector coordination to address risks and incidents that may be related or could have consequential impacts across multiple sectors; (3) conduct and share analysis; and (4) provide technical assistance, risk management, and security measure recommendations. Directs the center to ensure: (1) continuous, collaborative, and inclusive coordination across sectors and with sector coordinating councils, information sharing and analysis organizations, and other appropriate non-Federal partners; (2) development and use of technology-neutral, real-time mechanisms for sharing information about risks and incidents; and (3) safeguards against unauthorized access. Provides the Under Secretary with unreviewable discretion as to whether governmental or private entities are included in the center or are provided assistance or information. (Sec. 4) Requires the DHS Secretary to submit to Congress recommendations regarding how to expedite implementation of information-sharing agreements for cybersecurity purposes between the center and non-Federal entities. (Sec. 5) Directs the Secretary to report annually to Congress concerning: (1) the number of non-Federal participants, the length of time taken to resolve requests to participate in the center, and the reasons for any denials of such requests; (2) DHS's information sharing with each critical infrastructure sector; and (3) privacy and civil liberties safeguards. (Sec. 6) Requires a Comptroller General (GAO) report on the effectiveness of the center. (Sec. 7) Directs the Under Secretary to develop, maintain, and exercise adaptable cyber incident response plans to address cybersecurity risks to critical infrastructure. Requires the Secretary to make the application process for security clearances relating to a classified national security information program available to sector coordinating councils, sector information sharing and analysis organizations, and owners and operators of critical infrastructure. Directs the Office of Management and Budget (OMB) to ensure that data breach notification policies require affected agencies, after discovering an unauthorized acquisition or access, to notify: (1) Congress within 30 days, and (2) affected individuals as expeditiously as practicable. Allows the Attorney General (DOJ), heads of elements of the intelligence community, or the Secretary to delay notice to affected individuals for purposes of law enforcement investigations, national security, or security remediation actions. Requires OMB to assess agency implementation of data breach notification policies. (Sec. 8) Prohibits this Act from being construed to: (1) grant the Secretary any authority to promulgate regulations or set standards relating to the

cybersecurity of private sector critical infrastructure that was not in effect on the day before the enactment of this Act, or (2) require any private entity to request the Secretary's assistance or to implement any recommendation suggested by the Secretary in response to such a request.

S. 2521.—Federal Information Security Modernization Act of 2014. (Public Law 113–283). December 18, 2014.

Amends the Federal Information Security Management Act of 2002 (FISMA) to: (1) reestablish the oversight authority of the Director of the Office of Management and Budget (OMB) with respect to agency information security policies and practices, and (2) set forth authority for the Secretary of Homeland Security (DHS) to administer the implementation of such policies and practices for information systems. Requires the Secretary to develop and oversee implementation of operational directives requiring agencies to implement the Director's standards and guidelines for safeguarding Federal information and systems from a known or reasonably suspected information security threat, vulnerability, or risk. Authorizes the Director to revise or repeal operational directives that are not in accordance with the Director's policies. Requires the Secretary (currently, the Director) to ensure the operation of the Federal information security incident center (FISIC). Directs the Secretary to administer procedures to deploy technology, upon request by an agency, to assist the agency to continuously diagnose and mitigate against cyber threats and vulnerabilities. Requires the Director's annual report to Congress regarding the effectiveness of information security policies to assess agency compliance with OMB data breach notification procedures. Provides for OMB's information security authorities to be delegated to the Director of National Intelligence (DNI) for certain systems operated by an element of the intelligence community. Directs the Secretary to consult with and consider guidance developed by the National Institute of Standards and Technology (NIST) to ensure that operational directives do not conflict with NIST information security standards. Directs agency heads to ensure that: (1) information security management processes are integrated with budgetary planning; (2) senior agency officials, including chief information officers, carry out their information security responsibilities; and (3) all personnel are held accountable for complying with the agency-wide information security program. Provides for the use of automated tools in agencies' information security programs, including for periodic risk assessments, testing of security procedures, and detecting, reporting, and responding to security incidents. Requires agencies to include offices of general counsel as recipients of security incident notices. Requires agencies to notify Congress of major security incidents within seven days after there is a reasonable basis to conclude that a major incident has occurred. Directs agencies to submit an annual report regarding major incidents to OMB, DHS, Congress, and the Comptroller General (GAO). Requires such reports to include: (1) threats and threat actors, vulnerabilities, and impacts; (2) risk assessments of affected systems before, and the status of compliance of the systems at the time of, major incidents; (3) detection, response, and remediation actions; (4) the total number of incidents; and (5) a description of the number of individuals affected by, and the information exposed by, major incidents involving a

breach of personally identifiable information. Authorizes GAO to provide technical assistance to agencies and inspectors general, including by testing information security controls and procedures. Requires OMB to ensure the development of guidance for: (1) evaluating the effectiveness of information security programs and practices, and (2) determining what constitutes a major incident. Directs FISIC to provide agencies with intelligence about cyber threats, vulnerabilities, and incidents for risk assessments. Directs OMB, during the two-year period after enactment of this Act, to include in an annual report to Congress an assessment of the adoption by agencies of continuous diagnostics technologies and other advanced security tools. Requires OMB to ensure that data breach notification policies require agencies, after discovering an unauthorized acquisition or access, to notify: (1) Congress within 30 days, and (2) affected individuals as expeditiously as practicable. Allows the Attorney General, heads of elements of the intelligence community, or the DHS Secretary to delay notice to affected individuals for purposes of law enforcement investigations, national security, or security remediation actions. Requires OMB to amend or revise OMB Circular A-130 to eliminate inefficient and wasteful reporting. Directs the Information Security and Privacy Advisory Board to advise and provide annual reports to DHS.

S. 2651.—DHS OIG Mandates Revision Act of 2014. (Public Law 113–284). December 18, 2014.

Repeals requirements that the Department of Homeland Security (DHS) Inspector General: (1) conduct an annual evaluation of the Cargo Inspection Targeting System pursuant to the Coast Guard and Maritime Transportation Act of 2004, (2) conduct an annual review of Coast Guard Performance pursuant to the Homeland Security Act of 2002 (HSA), and (3) conduct an annual review of grants to states and high-risk urban areas under HSA.

POSTAL NAMING BILLS

H.R. 43—To designate the facility of the United States Postal Service located at 14 Red River Avenue North in Cold Spring, Minnesota, as the “Officer Tommy Decker Memorial Post Office.” (Public Law 113–204). December 16, 2014.

H.R. 78—To designate the facility of the United States Postal Service located at 4110 Alameda Road in Houston, Texas, as the “George Thomas ‘Mickey’ Leland Post Office Building.” (Public Law 113–205). December 16, 2014.

H.R. 451—To designate the facility of the United States Postal Service located at 500 North Brevard Avenue in Cocoa Beach, Florida, as the “Richard K. Salick Post Office.” (Public Law 113–206). December 16, 2014.

H.R. 606—To designate the facility of the United States Postal Service located at 815 County Road 23 in Tyrone, New York, as the “Specialist Christopher Scott Post Office Building.” (Public Law 113–147). August 8, 2014.

H.R. 1036—To designate the facility of the United States Postal Service located at 103 Center Street West in Eatonville, Washington, as the “National Park Ranger Margaret Anderson Post Office.” (Public Law 113–110). June 9, 2014.

H.R. 1228—To designate the facility of the United States Postal Service located at 123 South 9th Street in De Pere, Wisconsin, as

the “Corporal Justin D. Ross Post Office Building.” (Public Law 113–111). June 9, 2014.

H.R. 1376—To designate the facility of the United States Postal Service located at 369 Martin Luther King Jr. Drive in Jersey City, New Jersey, as the “Judge Shirley A. Tolentino Post Office Building.” (Public Law 113–139). July 25, 2014.

H.R. 1391—To designate the facility of the United States Postal Service located at 25 South Oak Street in London, Ohio, as the “London Fallen Veterans Memorial Post Office.” (Public Law 113–207). December 16, 2014.

H.R. 1451—To designate the facility of the United States Postal Service located at 14 Main Street in Brockport, New York, as the “Staff Sergeant Nicholas J. Reid Post Office Building.” (Public Law 113–112). June 9, 2014.

H.R. 1671—To designate the facility of the United States Postal Service located at 6937 Village Parkway in Dublin, California, as the “James ‘Jim’ Kohnen Post Office.” (Public Law 113–148). August 8, 2014.

H.R. 1707—To designate the facility of the United States Postal Service located at 302 East Green Street in Champaign, Illinois, as the “James R. Burgess Jr. Post Office Building.” (Public Law 113–208). December 16, 2014.

H.R. 1813—To redesignate the facility of the United States Postal Service located at 162 Northeast Avenue in Tallmadge, Ohio, as the “Lance Corporal Daniel Nathan Deyarmin, Jr., Post Office Building.” (Public Law 113–140). July 25, 2014.

H.R. 2112—To designate the facility of the United States Postal Service located at 787 State Route 17M in Monroe, New York, as the “National Clandestine Service of the Central Intelligence Agency NCS Officer Gregg David Wenzel Memorial Post Office.” (Public Law 113–209). December 16, 2014.

H.R. 2223—To designate the facility of the United States Postal Service located at 220 Elm Avenue in Munising, Michigan, as the “Elizabeth L. Kinnunen Post Office Building.” (Public Law 113–211). December 16, 2014.

H.R. 2291—To designate the facility of the United States Postal Service located at 450 Lexington Avenue in New York, New York, as the “Vincent R. Sombrotto Post Office.” (Public Law 113–149). August 8, 2014.

H.R. 2391—To designate the facility of the United States Postal Service located at 5323 Highway N in Cottleville, Missouri as the “Lance Corporal Phillip Vinnedge Post Office.” (Public Law 113–113). June 9, 2014.

H.R. 2678—To designate the facility of the United States Postal Service located at 10360 Southwest 186th Street in Miami, Florida, as the “Larcenia J. Bullard Post Office Building.” (Public Law 113–213). December 16, 2014.

H.R. 3027—To designate the facility of the United States Postal Service located at 442 Miller Valley Road in Prescott, Arizona, as the “Barry M. Goldwater Post Office.” (Public Law 113–247). December 18, 2014.

H.R. 3060—To designate the facility of the United States Postal Service located at 232 Southwest Johnson Avenue in Burleson, Texas, as the “Sergeant William Moody Post Office Building.” (Public Law 113–115). June 9, 2014.

H.R. 3085—To designate the facility of the United States Postal Service located at 3349 West 111th Street in Chicago, Illinois, as the “Captain Herbert Johnson Memorial Post Office Building.” (Public Law 113–214). December 16, 2014.

H.R. 3472—To designate the facility of the United States Postal Service located at 13127 Broadway Street in Alden, New York, as the “Sergeant Brett E. Gorniewicz Memorial Post Office.” (Public Law 113–151). August 8, 2014.

H.R. 3534—To designate the facility of the United States Postal Service located at 113 West Michigan Avenue in Jackson, Michigan, as the “Officer James Bonneau Memorial Post Office.” (Public Law 113–216). December 16, 2014.

H.R. 3765—To designate the facility of the United States Postal Service located at 198 Baker Street in Corning, New York, as the “Specialist Ryan P. Jayne Post Office Building.” (Public Law 113–153). August 8, 2014.

H.R. 3957—To designate the facility of the United States Postal Service located at 218–10 Merrick Boulevard in Springfield Gardens, New York, as the “Cynthia Jenkins Post Office Building.” (Public Law 113–218). December 16, 2014.

H.R. 4189—To designate the facility of the United States Postal Service located at 4000 Leap Road in Hilliard, Ohio, as the “Master Sergeant Shawn T. Hannon, Master Sergeant Jeffrey J. Rieck and Veterans Memorial Post Office Building.” (Public Law 113–219). December 16, 2014.

H.R. 4416—To redesignate the facility of the United States Postal Service located at 161 Live Oak Street in Miami, Arizona, as the “Staff Sergeant Manuel V. Mendoza Post Office Building.” (Public Law 113–528). December 18, 2014.

H.R. 4443—To designate the facility of the United States Postal Service located at 90 Vermilyea Avenue, in New York, New York, as the “Corporal Juan Mariel Alcantara Post Office Building.” (Public Law 113–220). December 16, 2014.

H.R. 4651—To designate the facility of the United States Postal Service located at 601 West Baker Road in Baytown, Texas, as the “Specialist Keith Erin Grace, Jr. Memorial Post Office.” (Public Law 113–259). December 18, 2014.

H.R. 4919—To designate the facility of the United States Postal Service located at 715 Shawan Falls Drive in Dublin, Ohio, as the “Lance Corporal Wesley G. Davids and Captain Nicholas J. Rozanski Memorial Post Office.” (Public Law 113–222). December 16, 2014.

H.R. 4939—To designate the facility of the United States Postal Service located at 2551 Galena Avenue in Simi Valley, California, as the “Neil Havens Post Office.” (Public Law 113–224). December 16, 2014.

H.R. 5030—To designate the facility of the United States Postal Service located at 13500 SW 250 Street in Princeton, Florida, as the “Corporal Christian A. Guzman Rivera Post Office Building.” (Public Law 113–225). December 16, 2014.

H.R. 5106—To designate the facility of the United States Postal Service located at 100 Admiral Callaghan Lane in Vallejo, California, as the “Philmore Graham Post Office Building.” (Public Law 113–226). December 16, 2014.

H.R. 5331—To designate the facility of the United States Postal Service located at 73839 Gorgonio Drive in Twentynine Palms, California, as the “Colonel M.J. ‘Mac’ Dube, USMC Post Office Building.” (Public Law 113–266). December 18, 2014.

H.R. 5562—To designate the facility of the United States Postal Service located at 801 West Ocean Avenue in Lompoc, California, as the “Federal Correctional Officer Scott J. Williams Memorial Post Office Building.” (Public Law 113–267). December 18, 2014.

H.R. 5687—To designate the facility of the United States Postal Service located at 101 East Market Street in Long Beach, California, as the “Juanita Millender-McDonald Post Office.” (Public Law 113–268). December 18, 2014.

S. 885—A bill to designate the facility of the United States Postal Service located at 35 Park Street in Danville, Vermont, as the “Thaddeus Stevens Post Office.” (Public Law 113–189). November 26, 2014.

S. 1093—A bill to designate the facility of the United States Postal Service located at 130 Caldwell Drive in Hazlehurst, Mississippi, as the “First Lieutenant Alvin Chester Cockrell, Jr. Post Office Building.” (Public Law 113–191). November 26, 2014.

S. 1499—A bill to designate the facility of the United States Postal Service located at 278 Main Street in Chadron, Nebraska, as the “Sergeant Cory Mracek Memorial Post Office.” (Public Law 113–192). November 26, 2014.

S. 1512—A bill to designate the facility of the United States Postal Service located at 1335 Jefferson Road in Rochester, New York, as the “Specialist Theodore Matthew Glende Post Office.” (Public Law 113–193). November 26, 2014.

VIII. ACTIVITIES OF THE SUBCOMMITTEES
 SUBCOMMITTEE ON THE EFFICIENCY AND
 EFFECTIVENESS OF FEDERAL PROGRAMS
 AND THE FEDERAL WORKFORCE

CHAIRMAN: JON TESTER (D-MT)

RANKING MEMBER: ROB PORTMAN (R-OH)

I. AUTHORITY

The Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce oversees the management, efficiency, effectiveness, and economy of all agencies and departments in the Federal Government, including the Federal workforce and Federal programs. The Subcommittee has a broad authority for conducting oversight across the Federal Government and for seeking to improve the efficiency of Federal programs. In addition, the Subcommittee is responsible for exploring policies that promote a skilled, efficient, and effective Federal workforce which will, in turn, work to ensure efficient and effective management of Federal programs.

II. ACTIVITY

During the 113th Congress, the Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce held 10 hearings and introduced, or joined as original co-sponsor, nine related pieces of legislation.

A. Hearings

Health Care in Rural America: Developing the Workforce and Building Partnerships. May 23, 2013. (S. Hrg. 113-512)

The purpose of the hearing was to discuss efforts by the Federal health care workforce to address the needs of rural America, including veterans and Native Americans in those communities. The hearing sought to identify some of the challenges of this task, including efforts to recruit and retain a quality Federal health care workforce, and to highlight opportunities for collaboration and cost-sharing, including stronger partnerships between agencies, local individuals, and the private sector. In addition, the hearing provided an opportunity to discuss how individuals in rural communities are affected by a lack of access to health care services, specifically mental health care, and what can be done to improve access for these individuals.

Witnesses: Hon. Robert A. Petzel, Under Secretary for Health, U.S. Department of Veterans Affairs; Hon. Yvette Roubideaux, Director, Indian Health Service, U.S. Department of Health and Human Services; Tom Morris, Associate Administrator for Rural Health Policy, Health Resources and Services Administration, U.S. Department of Health and Human Services; Matt Kuntz, Executive Director, National Alliance on Mental Illness for Montana; Ralph Ibson, National Policy Director; Wounded Warrior Project.

Safeguarding our Nation's Secrets: Examining the Security Clearance Process. June 20, 2013. (S. Hrg. 113–316)

The purpose of the joint subcommittee hearing was to review how the Federal Government conducts investigations to determine whether Federal employees and contractors are eligible for access to classified information. The hearing examined the management and oversight of the Federal employees and contractors responsible for planning, conducting and reviewing investigations, and issuing security clearances. The hearing also examined the efficiency and effectiveness of the security clearance process.

Witnesses: Hon. Patrick E. McFarland, Inspector General, U.S. Office of Personnel Management; Merton W. Miller, Associate Director of Investigations, Federal Investigative Services, U.S. Office of Personnel Management; Stephen F. Lewis, Deputy Director, Security Directorate, Office of the Under Secretary of Defense (Intelligence), U.S. Department of Defense; Brenda S. Farrell, Director, Defense Capabilities and Management, U.S. Government Accountability Office.

Protecting our Northern Border: Enhancing Collaboration and Building Local Partnerships. July 12, 2013. (S. Hrg. 113–537)

The purpose of the field hearing in Havre, Montana was to identify some of the challenges confronting that task, including overlapping jurisdictions of government agencies that could impede our efforts and potentially create critical gaps in security along the border. The hearing also sought to identify and highlight various opportunities for collaboration and cost-sharing, including stronger partnerships between agencies, local officials, tribes, and the private sector to secure our border and preserve the cross-border commerce that is critical to economic development and job creation.

Witnesses: Don Brostrom, Sheriff of Hill County, Montana; Nathan Burr, Havre Sector Vice President and U.S. Border Patrol Agent, National Border Patrol Council; Debbie Vandenberg, Executive Director, Havre Chamber of Commerce; Kumar Kibble, Special Agent in Charge, Denver, U.S. Immigrations and Customs Enforcement; Christopher Richards, Havre Sector Chief Patrol Agent, U.S. Border Patrol; Robert Desrosier, Homeland Security Director, Blackfeet Nation.

Strengthening Government Oversight: Examining the Roles and Effectiveness of Oversight Positions Within the Federal Workforce. November 19, 2013. (S. Hrg. 113–367)

The purpose of the hearing was to examine the various positions within the Federal Government tasked with oversight duties, including Inspectors General, privacy officers, and the Office of Special Counsel. It hit upon some of the obstacles currently preventing the performance of thorough and effective oversight—whether it be the number of vacant oversight positions across the government, a lack of resources devoted to oversight or the lack of authority or access provided to positions of oversight—and sought to identify potential solutions to such obstacles.

Witnesses: Hon. Peggy E. Gustafson, Inspector General, U.S. Small Business Administration; Hon. Michael Horowitz, Inspector General, U.S. Department of Justice; Hon. Carolyn Lerner, Special

Counsel, U.S. Office of Special Counsel; Karen Neuman, Chief Privacy and Freedom of Information Act Officer, U.S. Department of Homeland Security; Wendy Ginsberg, Ph.D., Congressional Research Service, Library of Congress.

Safeguarding Our Nation's Secrets: Examining the National Security Workforce. November 20, 2013. (S. Hrg. 113-368)

This hearing followed up on a previous subcommittee hearing on security clearance reform. The focus was on the designation of Federal positions as “national security sensitive,” as well as the requirements for personnel to have access to classified information. The hearing sought to examine the impact these policies have on background investigations and the adjudication of security clearances, as well as implications for Federal employee rights and subsequent costs to the taxpayer.

Witnesses: Brian A. Prioletti, Assistant Director, Special Security Directorate, National Counterintelligence Executive, Office of the Director of National Intelligence; Tim Curry Deputy Associate Director for Partnership and Labor Relations, Office of Personnel Management; Brenda Farrell, Director, Defense Capabilities and Management, U.S. Government Accountability Office; David Borer, General Counsel, The American Federation of Government Employees; Angela Canterbury, Director of Public Policy, Project on Government Oversight.

Examining the Use and Abuse of Administratively Uncontrollable Overtime at the Department of Homeland Security. January 28, 2014. (S. Hrg. 113-369)

The purpose of the hearing was to examine the instances of Administratively Uncontrollable Overtime (AUO) abuse raised in the Special Counsel's Report, and to learn more about how DHS and U.S. Customs and Border Protection (CBP) are responding to the recent investigative report, what disciplinary actions are being taken, and what additional cases of payroll fraud have been discovered. On October 31, 2013, the U.S. Office of Special Counsel (OSC) issued a report to the President detailing “long-standing abuse of overtime payments by the Department of Homeland Security.” The report reveals that, for years, Homeland Security employees have abused a fund meant to compensate workers who must sometimes stay on duty beyond normal business hours, such as law enforcement officers responding to criminal activity. Despite a 2008 investigation and subsequent pledge from DHS officials to rein in on the misuse of AUO, the OSC report shows that numerous agencies within the department continue to allow their employees to illegally claim overtime pay. It is estimated that the practice is costing taxpayers millions of dollars each year.

Witnesses: Hon. Carolyn Lerner, Special Counsel, U.S. Office of Special Counsel; Ron Vitiello, Deputy Chief, U.S. Border Patrol, U.S. Customs and Border Protection; Catherine Emerson, Chief Human Capital Officer, U.S. Department of Homeland Security; Brandon Judd, President, National Border Patrol Council.

A More Efficient and Effective Government: Improving the Regulatory Framework. March 11, 2014. (S. Hrg. 113–371)

The purpose of the hearing was to review progress made and challenges faced by the Office of Information and Regulatory Affairs in reviewing proposed rules and regulations. The hearing also examined current and potential efforts to streamline and reform the regulatory process.

Witnesses: Hon. Angus J. King, Jr., U.S. Senate; Hon. Howard Shelanski, Administrator, Office of Information and Regulatory Affairs, The Office of Management and Budget; Hon. C. Boyden Gray, Founding Partner, Boyden Gray & Associates, PLLC; Katherine McFate, President and Chief Executive Officer, Center for Effective Government; Michelle Sager, Director, Strategic Issues, U.S. Government Accountability Office.

A More Efficient and Effective Government: Cultivating the Federal Workforce. May 6, 2014. (S. Hrg. 113–507)

The purpose of the hearing was to examine the state of the Federal workforce, and the impact of factors such as the Federal Government shutdown, sequestration, and hiring and pay freezes on employee morale, productivity and efficiency, and agency recruitment and retention efforts. It also discussed ongoing efforts by agencies with the highest and lowest job satisfaction rates, as well as innovative programs and actions by agencies to overcome the ongoing challenges of recruiting and retaining a highly capable and qualified workforce.

Witnesses: Hon. Katherine Archuleta, Director, U.S. Office of Personnel Management; Hon. Carol Waller Pope, Chairman, Federal Labor Relations Authority; Jeri L. Buchholz, Assistant Administrator for Human Capital Management, National Aeronautics and Space Administration; Paige Hinkle-Bowles, Deputy Assistant Secretary of Defense for Civilian Personnel Policy, U.S. Department of Defense; J. David Cox, National President, American Federation of Government Employees; Colleen M. Kelley, National President, National Treasury Employees Union; Carol A. Bonosaro, President, Senior Executives Association; Max Stier, President and Chief Executive Officer, Partnership for Public Service.

A More Efficient and Effective Government: Examining Federal IT Initiatives and the IT Workforce. June 10, 2014. (S. Hrg. 113–534)

This hearing examined the state of major Federal information technology projects, as well as the process through which they are solicited and coordinated government-wide. Through this discussion, the Subcommittee identified ways to improve the process, reduce waste, and increase collaboration and cost-sharing. The hearing also examined the state of the Federal IT workforce and the qualifications and capacity of information technology professionals within the Federal Government.

Witnesses: Luke J. McCormack, Chief Information Officer, U.S. Department of Homeland Security; Stephen W. Warren, Executive in Charge of Information and Technology, U.S. Department of Veterans Affairs; Donna K. Seymour, Chief Information Officer, U.S. Office of Personnel Management; David A. Powner, Director, Infor-

mation Technology Management Issues, U.S. Government Accountability Office; Christopher A. Miller, Program Executive Officer, DOD Healthcare Management Systems, U.S. Department of Defense.

A More Efficient and Effective Government: Examining Efforts to Address Law Enforcement, Infrastructure and Human Capital Needs in the Bakken. September 26, 2014. (S. Hrg. 113–587)

This field hearing held in Sidney, Montana examined how local, State, and Federal officials are coordinating their law enforcement efforts (including human and drug trafficking) and addressed the infrastructure and human capital needs of the region. The hearing also addressed how improved coordination between local, State, tribal, and Federal officials can be facilitated, and to highlight various proposals to address the most urgent needs of local communities and the region.

Witnesses: Hon. A.T. “Rusty” Stafne, Chairman, Assiniboine and Sioux Tribes of the Fort Peck Reservation; Hon. Angela McLean, Lieutenant Governor, State of Montana; Leslie Messer, Executive Director, Richland Economic Development Corp.; Hon. Rick Norby, Mayor, Sidney, Montana; Hon. Michael W. Cotter, United States Attorney, District of Montana; Michael Gottlieb, National High Intensity Drug Trafficking Areas (HIDTA) Director, Office of National Drug Control Policy; Scott Vito, Assistant Special Agent In Charge, Salt Lake City Division, Federal Bureau of Investigation; Hon. Tim Foxx, Attorney General, State of Montana; Hon. Craig Anderson, Sheriff, Dawson County, Montana; Anthony Preite, State Director, U.S. Department of Agriculture, Montana Office of Rural Development; Mike Tooley, Director, Montana Department of Transportation; John Dynneson, Deputy, Richland County Sheriff’s Office; Paul Groshart, Director, Richland County Housing Authority; Loren Young, Chairman, Richland County Commission.

III. LEGISLATION

The following bills were considered by the Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce during the 113th Congress:

S. 1120—The Land Management Workforce Flexibility Act—Allows temporary seasonal Federal land management workers the ability to compete for vacant permanent seasonal positions identical to those they are already performing.

S. 1276—The Security Clearance Oversight and Reform Enhancement Act—Increases accountability and oversight over how the government conducts background investigations and awards security clearances.

S. 1691—The Border Patrol Agent Pay Reform Act of 2013—Ensures predictability of U.S. Border Patrol’s pay system and to improve the use of overtime and increase border patrol manpower.

S. 1744—The Security Clearance Accountability, Reform, and Enhancement Act—Requires action against misconduct relating to background investigations and directs the President to review and update guidance regarding security clearances.

S. 1809—Security Workforce and Whistleblower Protection Act—Restores Merit Systems Protection Board access for employees in sensitive positions.

S. 1953—Oversight Workforce Improvement Act—Expands privacy protections over more oversight cases, makes oversight officials more independent and clarifies that Inspectors General may be paid at the same level as senior government officials.

S. 2061—Preventing Conflicts of Interest with Contractors Act—Prohibits the U.S. Office of Personnel Management from awarding contracts to conduct final quality reviews to the same contractor conducting background investigations.

S. 2541—Competitive Service Act—Allows Federal agencies to share certification lists of well-qualified applicants for similar jobs, allowing agencies to hire off each other's certification lists and tap into talent across agencies is both cost-effective and more efficient.

S. 3001—Wounded Warriors Federal Leave Act—Ensures that first-year Federal employees with service-related disabilities can get the medical care they need without being forced to take unpaid leave.

IV. GAO REPORTS

On January 15, 2014, Senator Tester sent a letter to the Government Accountability Office, requesting it report how the Postal Service measures delivery times and adheres to service standards.

On July 10, 2013, Senator Tester sent a letter to the Government Accountability Office, requesting that it assess how Federal agencies are adhering to quality standards in the background investigation process and how the awarding of security clearances across Federal agencies can be improved. GAO accepted the Tester request and the report is to be published in February of 2015.

SUBCOMMITTEE ON FINANCIAL AND CONTRACTING OVERSIGHT

CHAIRMAN: CLAIRE McCASKILL (D–MO)

RANKING MEMBER: RON JOHNSON (R–WI)

I. AUTHORITY

The Subcommittee on Financial and Contracting Oversight has broad oversight over all aspects of Federal financial management, Federal contracting, and policies to prevent the waste, fraud, or abuse of taxpayer dollars.

II. ACTIVITY

During the 113th Congress, the Subcommittee on Financial and Contracting Oversight held 18 hearings or roundtables, authorized 32 investigations. Currently, the Subcommittee has 16 ongoing investigations.

The following is a summary of the major activities of the Subcommittee, organized by topic.

A. ARMY RECRUITING

The Subcommittee initiated new two investigations and held two hearings on the management and oversight of Army recruiting. The hearings focused on the Recruiting Assistance Program and marketing and sponsorship contracts.

1. Investigation: Army Recruiting Assistance Programs

On September 13, 2013, Chairman McCaskill sent a letter to the Secretary of the Army requesting information and documents regarding Army Recruiting Assistance Programs (ARAP). Chairman McCaskill requested that the Army provide a copy of the report on its investigation into an ARAP contractor called Document and Packaging, Inc. (Docupak) and the allegations that funds were fraudulently distributed to Army Reserve and Army National Guard recruiters. In addition to a copy of the report, Chairman McCaskill requested a briefing on the findings in the report, including whether the Army had considered suspending and debarring Docupak from future contracts.

On November 1, 2013, and January 13, 2014, following the Army briefing to Subcommittee Staff regarding ARAP and the Army's reliance on Docupak, Chairman McCaskill requested information and documents from the Army regarding the Army Recruiting Assistance Program, the Army Reserve Recruiting Assistance Program, and the National Guard Recruiting Program. On November 1, 2013, Chairman McCaskill also sent a letter to Docupak requesting a briefing detailing Docupak's operation and oversight of ARAP, the internal reviews that were conducted following the discontinuation of ARAP, and providing information on other government contracts held by Docupak.

2. *Fraud and Abuse in Army Recruiting Contracts (S. Hrg. 113-377) (February 4, 2014)*

This hearing focused on the creation and management of the Recruiting Assistance Programs (RAP) operated by the Army National Guard, Army, and Army Reserve. The hearing also addressed the role of Docupak, the contractor responsible for RAP, accountability for military officials involved with the program, and the ongoing Army investigation of potentially fraudulent activity. Specifically, the hearing examined fraudulent payments under RAP, potentially involving over 1,200 recruiters and not limited to service members. There was also a discussion of Army audits that found significant mistakes by the National Guard in designing and implementing RAP.

Witnesses: Lt. Gen. William T. Grisoli, Director of the Army Staff, U.S. Army; Maj. Gen. David E. Quantock, Commanding General, U.S. Army Criminal Investigation Command and Army Corrections Command; Joseph P. Bentz, Principal Deputy Auditor General, U.S. Army Audit Agency; Lt. Gen. Clyde A. Vaughn (ret.), former Director, Army National Guard; Col. Michael L. Jones (ret.), former Division Chief, Army National Guard Strength Maintenance Division; Philip Crane, President, Docupak; and Lt. Col. Kay Hensen (ret.), Corporate Compliance Officer, Docupak.

3. *Investigation: Army and National Guard Marketing and Sponsorship Contracts*

Following the February 4, 2014 hearing on “Fraud and Abuse in Army Recruiting Contracts,” Chairman McCaskill sent a letter to the Secretary of the Army on February 27, 2014 requesting regular updates regarding the Recruiting Assistance fraud cases being pursued by the Criminal Investigative Command. Chairman McCaskill also requested additional information regarding other National Guard recruiting and marketing contracts within which there appeared to be evidence of waste and abuse.

On March 31, 2014, Chairman McCaskill then sent letters to the Coast Guard, Navy and Air Force, requesting information and documents regarding their current fraud investigations as well as their current recruiting and marketing contracts. On April 8, 2014 and April 11, 2014, Chairman McCaskill sent letters to the Secretary of the Army requesting additional information and documents regarding the Army recruiting and marketing contracts, specifically with respect to sponsorships, recruiting promotional items, and conferences.

Following the May 8, 2014 hearing on National Guard Marketing and Recruiting contracts, Chairman McCaskill sent a letter to the Army on June 13, 2014, requesting a copy of the Army Inspector General’s Report in the alleged failure of senior Army officials to perform proper oversight of Recruiting Assistance Programs. The Subcommittee had been assured that the report would be completed first in January of 2014, and then in May of 2014. As of June 13, 2014, the Subcommittee had not received a copy of the completed report. Chairman McCaskill requested that the Army provide a copy of the report, and if the report was still incomplete, a status report on its progress.

On June 19, 2014, Chairman McCaskill sent a letter to the Acting Director of the Army National Guard requesting a copy of the analysis that Army National Guard Staff conducted on the Army National Guard's current sports marketing program and a briefing for Subcommittee staff regarding the Army National Guard's plans for professional sports contracts in 2015.

4. *Waste and Abuse in National Guard Sponsorship and Marketing Contracts (S. Hrg. 113-412) (May 8, 2014)*

This hearing focused on reports of waste and abuse in Army National Guard sponsorship and marketing contracts. In particular, the hearing examined reports that National Guard spending on NASCAR and other sports sponsorships—a significant portion of its advertising budget—is an ineffective recruiting tool. Maj. Gen. Judd Lyons testified that the National Guard's oversight over the NASCAR spending was inadequate, and a review of its sports marketing programs was underway.

The National Guard announced on August 6, 2014 that it would end its NASCAR and IndyCar sponsorships. The Guard acknowledged that in spite of committing \$88 million over 3 years to sponsor NASCAR driver Dale Earnhardt Jr. and with a heavy presence in NASCAR, the National Guard failed to generate any recruits through the program.

Witnesses: Major General Judd H. Lyons, Acting Director, Army National Guard; and Kathy A. Salas, Principal Assistant Responsible for Contracting, National Guard Bureau.

B. ALASKA NATIVE CORPORATIONS

The Subcommittee continued its oversight of Alaska Native Corporations.

1. *Investigation: Fort Greely Renovation*

After receiving information from whistleblowers alleging waste and abuse during the renovation of a building in Ft. Greely, Alaska by the U.S. Army Corps of Engineers (USACE), Chairman McCaskill sent a letter to the Small Business Administration (SBA) on March 28, 2014, requesting that the SBA conduct a review of the renovation process, and, if necessary, perform an audit of the acquisition process to determine whether the acquisition was conducted in compliance with applicable Federal laws and best practices.

On June 30, 2014, Chairman McCaskill sent a letter to the USACE regarding USACE's actions during the acquisition process for the renovation of Building 660 in Ft. Greely, Alaska. In light of information provided by the Small Business Administration's Office of Inspector General (SBA OIG) that raised concerns about USACE's actions during the acquisition process, Chairman McCaskill requested documents from USACE, including correspondence between USACE and SBA regarding the Ft. Greely renovation project.

2. *Investigation: Small Business Administration's 8(a) Program*

On April 18, 2013, Chairman McCaskill sent a letter to the Comptroller General for the Government Accountability Office

(GAO) requesting that GAO review how Federal agencies monitor the work performed by subcontractors under 8(a) contracts.

On June 30, 2014 Chairman McCaskill sent a letter to the Small Business Administration (SBA) requesting information regarding the SBA's review of the participation of Alaska Native Corporations (ANCs) in the 8(a) small and disadvantaged business contracting program. In particular, Chairman McCaskill requested a list of joint ventures awarded under the 8(a) program, reports filed by ANC's detailing the benefits flowing back to their communities, and information regarding SBA's oversight of the new rules related to joint ventures and follow-up contracts for ANCs and tribal entities.

C. ADMINISTRATION OVERSIGHT

The Subcommittee continued its oversight of the Obama Administration's management and oversight of Federal contracting activities.

1. Investigation: Department of Veterans Affairs Accreditation

On January 14, 2013, Chairman McCaskill sent a letter to the Secretary of Veterans Affairs requesting a briefing on the Department of Veterans Affairs' (VA) accreditation process. The Chairman's letter followed reports of fraud and negligent representation of veterans by individuals who had received accreditation from the VA.

On March 31, 2014, Chairman McCaskill wrote to the VA requesting copies of complaints regarding the accreditation process and details of any actions that the VA had taken related to those complaints. On July 30, 2014, Chairman McCaskill sent a second request for the information regarding complaints about the accreditation process. Although the VA provided some information following the March 31 request, it failed to provide all of the documents requested during the four intervening months. As of the end of the Congress, the VA had not yet provided the requested documents.

2. Investigation: Lifeline

The Subcommittee continued its investigation of the Lifeline Program. On May 13, 2013, Chairman McCaskill sent a letter to the Comptroller General for the Government Accountability Office (GAO) requesting an evaluation of the reforms put in place by the Federal Communication Commission (FCC) to combat fraud in the Universal Service Fund Low Income Program. In particular, Chairman McCaskill requested a forensic audit of the Low-Income program to pinpoint specific case study examples of fraud or abuse, identify additional reforms that might be beneficial to the program, and determine the extent to which the FCC's reforms have limited fraud within the program. On September 11, 2014, Chairman McCaskill assisted GAO in their review of the Lifeline program by providing documents received from the FCC regarding contractors employed to manage the Lifeline program. GAO's review is expected to be complete in 2015.

3. *Management of Air Traffic Controller Training Contracts (S. Hrg. 113–323) (January 14, 2014)*

This hearing focused on areas of program and contract mismanagement by the Federal Aviation Administration (FAA) with regards to the Air Traffic Controller Optimum Training Solution (ATCOTS) program. The hearing also addressed the FAA's failure to adhere to recommendations from two separate audit reports issued by the Department of Transportation's Office of Inspector General. Additionally, the hearing sought to provide clarity on the need for and costs of air traffic controller training as well as the FAA's plans for improvement going forward.

Witnesses: Mary Kay Langan-Feirson, Assistant Inspector General for Acquisition and Procurement Audits at the U.S. Department of Transportation Office of Inspector General; Patricia McNall, Chief Acquisition Officer and Deputy Assistant Administrator for Finance and Management at the Federal Aviation Administration; and Lynn Dugle, President of Raytheon Intelligence, Information, and Services.

4. *Investigation: Department of Defense Contractor Inventory*

On May 22, 2014, Chairman McCaskill sent a letter to the Secretary of the Army requesting a briefing regarding the Army's contractor inventory management practices. Chairman McCaskill was alerted to possible mismanagement of contractor inventory by a call to the Department of Defense Office of Inspector General (DOD IG) Hotline. Because of these concerns, Chairman McCaskill requested a briefing from the Army on its contract management practices as well as on how the DOD IG Hotline complaint was handled and investigated.

On July 21, 2014, Chairman McCaskill sent a letter to the Secretary of Defense requesting information regarding the Department of Defense's (DOD) failure to meet the statutory requirements to track service contracts cited in the Government Accountability Office' (GAO) report on defense acquisitions. GAO's report on defense acquisitions addressed concerns raised by Chairman McCaskill in a 2012 hearing on the use of contractors by government agencies.

5. *Oversight of Contractor Performance Information (S. Hrg. 113–382) (March 6, 2014)*

This hearing focused on how the Federal Government collects, manages, and uses information about contractor performance and integrity. The hearing reviewed how the Federal Awardee Performance and Integrity Information System (FAPIIS) has been implemented and used over its first four years. In addition to addressing issues with FAPIIS, the hearing also addressed shortcomings of the Past Performance Information Retrieval System (PPIRS) and the Contractor Performance Assessment Reporting System (CPARS).

Witnesses: Captain Brian Drapp, Commanding Officer of the U.S. Navy Supply Corps at the Naval Sea Logistics Center; Kevin Youel Page, Assistant Commissioner of the U.S. General Services Administration Integrated Award Environment (IAE); and Beth Cobert, Deputy Director for Management of the Office of Management and Budget, was invited but did not attend.

D. AFGHANISTAN & IRAQ

The Subcommittee held one hearing and continued its ongoing oversight of contracts in Iraq and Afghanistan. The hearing focused on the implementation of the wartime contracting reforms passed into law in the Fiscal Year 2013 National Defense Authorization Act (NDAA).

1. Investigation: Justice Sector Support Program

On February 15, 2013, Chairman McCaskill sent a letter to the Special Inspector General for Afghanistan Reconstruction (SIGAR) requesting that as a part of their review of Rule of Law Programs conducted by the State Department and the Department of Defense in Afghanistan that they review the State Department's Justice Sector Support Program (JSSP). Chairman McCaskill requested the review due to concerns regarding the effectiveness of JSSP, given the apparent absence of consistent performance measures and the lack of State Department input or oversight of contractor objectives.

In their January 2014 audit of the JSSP program, SIGAR found that the State Department's Bureau of International Narcotics and Law Enforcement Affairs' (INL) management and oversight of the JSSP contract had failed to adequately assess contractor performance and program efficacy. SIGAR recommended that the State Department include in future JSSP and/or successor program contracts, specific provisions to hold contractors accountable for the successful completion of goals, complete and share additional evaluations of JSSP, renegotiate contractor agreements to ensure the right of the U.S. Government to audit and inspect records, and finalize the updates to the 2009 U.S. Government Rule of Law Strategy.

2. Investigation: DynCorp

On April 10, 2013, Chairman McCaskill wrote to the Commanding General and Chief of Engineers for the United States Army Corps of Engineers (USACE) regarding USACE's review of the settlement agreement with DynCorp International, LLC. Chairman McCaskill wrote to request materials related to the settlement that USACE agreed to provide the Subcommittee during a meeting the Army's settlement with DynCorp.

In April 2013, USACE provided the Subcommittee their review of the settlement. They acknowledged that the settlement was not ideal and could have resulted in terms more favorable to the government. However, the review recognized that the USACE team that settled the contract did so out of reasonable concerns that it faced a poor litigating position against DynCorp. USACE did make process changes in light of their review, and established a team with better skills and knowledge to handle contract terminations and settlements. Given that USACE recognized mistakes on their part, that there were reasonable conditions that lead the USACE team to release DynCorp, and the new processes that were implemented by USACE in light of the incident, we concluded our investigation.

On July 24, 2014, Chairman McCaskill sent a letter to the Secretary of State regarding recommendations made by the State Department Office of Inspector General (State OIG) to the Department of State (State) regarding contractor DynCorp. Between 2004 and 2014, the State OIG published 18 reports related to contracts held by DynCorp, finding problems and inefficiencies and making several recommendations to State. Chairman McCaskill requested that State provide details on how they are implementing the recommendations made by State OIG.

The State Department provided satisfactory responses to Chairman McCaskill's request for additional details regarding the implementation of changes recommended by State OIG. The majority of State OIG's recommendations concerned (1) creating better policies and procedures for contract administration and Economy Act reimbursement and (2) providing reimbursements to DOD and retrieving funds from DynCorp. In response, State has published various reimbursement policies and procedures in 2012, 2013, and 2014. Additionally, DOD will receive a transfer of approximately \$25 million by the end of the 2014. State will also be required to wait for the final report from the Defense Contract Audit Agency (DCAA) before adopting a negotiating position to retrieve money from DynCorp. State has indicated that DynCorp disagreed with the OIG's report, which alleged that DynCorp owed State money.

Disagreements between the State and State OIG arose from two separate allegations that State owed DOD money. State alleged that their original agreement with DOD supported their view. When State determined that the agreement did not sufficiently document this belief, State renegotiated the agreement with DOD alleviating the need to return any money.

3. Implementation of Wartime Contracting Reforms (Hrg. 113-424) (July 16, 2013)

This hearing focused on the implementation of the wartime contracting reforms passed into law in the Fiscal Year 2013 National Defense Authorization Act (NDAA). The hearing assessed steps taken by the Defense Department, State Department, and USAID to comply with the law, including requirements for the management of service contracts, responsibility for contingency contracting support, and use of risk assessments for private security contracting functions.

Witnesses: Richard Ginman, Director of Defense Procurement and Acquisition Policy, U.S. Department of Defense; Patrick Kennedy, Under Secretary of State for Management, Department of State; and Aman Djahanbani, Senior Procurement Executive and Director, Office of Acquisition and Assistance, U.S. Agency for International Development (USAID).

4. Investigation: Embassy Security

On September 11, 2013, Chairman McCaskill and Ranking Member Johnson sent a letter to the Under Secretary for Management at the Department of State regarding the performance of Aegis, a contractor employed by the Department of State to perform security functions at the U.S. embassy in Kabul. Prior to sending the letter, the Subcommittee became aware of evidence that embassy

security was inadequate and that testimony given by the Under Secretary during a 2013 hearing was inconsistent with facts later discovered regarding contractor performance and security measures. The letter requested that the Under Secretary correct and explain any inconsistencies in his testimony and provide additional information regarding the role and performance of Aegis. On September 17, 2013, the Under Secretary responded in a letter addressing the inconsistencies in his testimony and providing explanations for the changes that were made.

On November 19, 2014, Chairman McCaskill sent a letter to the Under Secretary for Management at the Department of State, following the Inspector General's report on the contract for security services at the embassy in Kabul, Afghanistan. Chairman McCaskill requested a briefing from State regarding the Inspector General's finding of numerous deficiencies in the management of the security contract, and detailing State's failure to address the Inspector General's concerns.

5. Investigation: Afghan Ministries Assessment

On January 29, 2014, Chairman McCaskill wrote to Administrator Rajiv Shah from U.S. Agency for International Development (USAID) requesting information from USAID regarding their assessment of the systems and internal controls for receiving direct assistance from the United States government within Afghan ministries. This request for information from USAID followed a report from the Special Inspector General for Afghanistan Reconstruction (SIGAR) which revealed that controls need to be implemented to manage donor funds and mitigate risk. On February 21, 2014, Chairman McCaskill sent a second request for information and documents related to USAID's assessment of the internal controls and systems used by Afghan ministries to manage donor funds.

On April 30, 2014, Chairman McCaskill spoke with Dr. Shah regarding USAID's assistance in Afghanistan. Following this conversation, USAID provided the subcommittee with figures that had been previously redacted which related to USAID's assessment and expenditures in Afghanistan. USAID's assessments showed significant vulnerabilities at the Afghan ministries, including everything from unlocked filing cabinets to opportunities for fraud and corruption that place taxpayer dollars at risk.

E. CAMPUS SEXUAL ASSAULT

The Subcommittee initiated one investigation and held three roundtables related to campus sexual assault. The Subcommittee also released a report summarizing the results of its investigation into how colleges and universities handle reports of sexual assault.

1. Investigation: Campus Sexual Assault

On April 1, 2014, Chairman McCaskill sent letters to the Department of Education and the Department of Justice requesting information, documents, and a briefing to Subcommittee staff regarding their efforts to ensure accurate reporting of sexual assault incidents and to ensure accountability for the perpetrators who commit the offences and the institutions that fail to comply with Federal law.

On April 16, 2014, Chairman McCaskill sent an unprecedented survey to hundreds of colleges and universities across the country to gather information on how each institution conducts outreach to students and staff on policies and procedures related to sexual assault and sexual harassment, how incidents are reported and investigated, how these reports are reviewed and handled, and how students are notified about available crisis and mental health services.

Following the dispersal of the survey, Chairman McCaskill received information that the American Counsel of Education (ACE) planned to hold a webinar for Colleges and Universities instructing them on how to manage Congressional investigations and the survey sent by Chairman McCaskill. On May 12, 2014, Chairman McCaskill sent a letter to ACE regarding their webinar, and on May 28, 2014, Chairman McCaskill sent a letter to ACE requesting the materials used in the webinar.

On July 9, 2014, the Subcommittee issued a report that included the results of the survey. The results demonstrated a disturbing failure by many institutions to comply with the law and with best practices in how they handle sexual violence against students. The 440 institutions represented in the survey are currently educating more than five million students across the country. The survey's key findings included the fact that more than 40 percent of schools have not conducted a single investigation in 5 years, and 21 percent of schools provide no training to faculty and staff on how to handle sexual violence. More than 10 percent of institutions surveyed do not have a Title IX coordinator, as required by law. The survey also found that law enforcement officials at 30 percent of institutions receive no training on how to respond to reports of sexual violence.

On July 24, 2014, Chairman McCaskill sent a letter to the National Collegiate Athletic Association (NCAA) regarding the oversight of campus sexual assault by its member institutions and encouraging the NCAA to explore how it can help its member institutions address the problem of sexual assault on campus.

2. Complying with and Enforcing the Clery Act and the Campus SaVE Act (May 19, 2014)

This roundtable focused on the challenges involved with rules and regulations related to the Clery and Campus SaVE Acts. In particular, the roundtable was framed by a discussion about how to simplify the complex labyrinth that exists among SaVE, Clery, and Title IX legislation, as well as the different state statutes and standards of proof. The roundtable also examined the utility of certain tools for estimating the scope of the problem of sexual violence, such as Clery data and climate surveys.

Participants: Laura Dunn, Executive Director of SurvJustice; Caroline Fultz-Carver, Compliance Officer for Title IX and the Clery Act at the University of South Florida; Eric Heath, Chief of Police at George Mason University; Alison Kiss, Executive Director of the Clery Center for Security on Campus; Lynn Mahaffie, Director of Policy in the Office of Postsecondary Education in the U.S. Department of Education; Holly Rider-Milkovich, Director of the Sexual Assault Prevention and Awareness Center (SAPAC) in the

University of Michigan; and Tracey Vitchers, Communications Coordinator for Students Active for Ending Rape (SAFER).

3. *Campus Sexual Assault—The Role of Title IX (June 2, 2014)*

This roundtable focused on the role of Title IX and related legislation in addressing sexual violence on college campuses. The roundtable examined realistic ways to enforce Title IX in the context of sexual violence and harassment, without unfairly punishing innocent students through unreasonable penalties. Ways to make campus sexual assault policies simpler and more transparent were also discussed, as was the possibility of streamlining or centralizing the government's ability to investigate Title IX violations.

Participants: Cat Riley, Title IX Coordinator for the University of Texas Medical Branch; Katie Eichele, Director for the Aurora Center for Advocacy and Education; Jocelyn Samuels, the Acting Assistant Attorney General for the Civil Rights Division of the Department of Justice (DOJ); Anne Hedgepeth with the American Association of University Women; John Kelly, Special Project Organizer for Know Your IX; Dana Bolger, Founding Co-Director of Know Your IX; Lindy Aldrich, Deputy Director for the Victim Rights Law Center; and Deborah Noble-Triplett, Assistant Vice President for Academic Affairs for the University of Missouri.

4. *Campus Sexual Assault—The Administrative Process and the Criminal Justice System (June 23, 2014)*

This roundtable focused on different ways for campus administrators, law enforcement officials, and prosecutors to coordinate their efforts to combat sexual assault on college campuses. The roundtable examined the different obstacles to such coordination, as well as successful models that have overcome these obstacles. Some options that were discussed included increased training for campus officials and law enforcement, the creation of memoranda of understanding (MOUs) between local and campus police officers, and making policies both simpler and more victim-centric.

Participants: Katharina Booth, Chief Trial Deputy in the Sexual Assault and Domestic Violence Unit in the office of the District Attorney of the 20th District in Boulder, Colorado; Alexandra Brodsky, co-founder at Know Your IX and law student at Yale University; Nancy Chi Cantalupo, research fellow at the Victim Rights Law Center and Adjunct Professor at Georgetown Law School; Paul Denton, Chief of the Ohio State University Police Division; Darcie Folsom, Director of Sexual Violence Prevention and Advocacy at Connecticut College; Jennifer Gaffney, Deputy Chief of the Special Victim's Bureau of the New York District Attorney's Office; Carrie Hull, a detective in the Ashland, Oregon Police Department; Mike Jungers, Dean of Students at Missouri State University; Jessica Ladd-Webert, Director of the Office of Victim Assistance at the University of Colorado, Boulder; Rebecca O'Connor, Vice President of Public Policy at RAINN (Rape, Abuse, and Incest National Network); and Kathy Zoner, Chief of Police at the Cornell University Police Department.

5. Investigation: The Collection of Crime Data

On September 11, 2014, Chairman McCaskill sent a letter to the Comptroller General for the Government Accountability Office (GAO) requesting that GAO review crime data collected by the Bureau of Justice Statistics, the Federal Bureau of Investigation, and the Department of Homeland Security. Chairman McCaskill requested that GAO specifically review the sources of the crime data, the data collection methods, the subject matter of the data, the challenges posed by different data collection methods, and the efforts being taken by these agencies to improve data collection.

F. CHEMICAL, BIOLOGICAL, RADIOLOGICAL, AND NUCLEAR THREATS

The Subcommittee initiated two investigations into the management and oversight of contracts related to chemical, biological, radiological, and nuclear threats.

1. Investigation: Anthrax

On June 18, 2013, Chairman McCaskill sent a letter to the Deputy Inspector General for the Department of Homeland Security (DHS) asking them to review the circumstances under which DHS determined that drug-resistant anthrax constituted a material threat to the United States. This letter followed reports regarding the role of Richard Danzig, biodefense advisor to the government and Director of the company what made the antitoxin for Anthrax, in the decision to classify drug-resistant Anthrax as a material threat.

On June 18, 2013, Chairman McCaskill sent a letter to the Office of the Inspector General for the Department of Defense (DOD IG) requesting that DOD IG review the circumstances under which the Department of Defense (DOD) awarded contracts to Richard Danzig for the provision of biodefense-related consulting services. Chairman McCaskill was concerned that Mr. Danzig had improper influence over the decision to heavily fund the development and stockpiling of Anthrax antitoxin due to his positions as a former Secretary of the Navy and at the time of the contract award, biodefense advisor to the government and member of the Board of Directors of Human Genome Sciences, Inc., the developer of the antitoxin.

On November 13, 2013, Chairman McCaskill sent a letter to the Assistant Secretary for Preparedness and Response for the department of Health and Human Services (HHS) regarding Project BioShield, a program designed to promote the expeditious creation of medical countermeasures for use against chemical, biological, radiological, and nuclear agents. This program authorized HHS to procure contracts for countermeasures through limited competition and sole source contracts between 2004 and 2014. Chairman McCaskill requested information regarding these contracts and the contracting process to determine whether funds were being judiciously spent and whether waste, fraud, or abuse took place during their procurement.

2. Investigation: BioWatch

On January 28, 2014, Chairman McCaskill and Senator Coburn sent a letter to the Comptroller General of the Government Accountability Office (GAO) asking to co-request the review of the technical capabilities of the Department of Homeland Security's BioWatch program requested by members of the House Committee on Energy and Commerce.

G. COUNTERNARCOTICS

The Subcommittee continued its oversight of counternarcotics contracts. On May 30, 2014, Chairman McCaskill sent a letter to the Secretary of Defense requesting information regarding the Department of Defense's (DOD) counternarcotics contracts. The Chairman's request followed reports by the Department of Defense Inspector General (DOD IG) that one counternarcotics contractor, Northrop Grumman, improperly charged the U.S. Government more than \$100 million over almost 6 years. Chairman McCaskill requested a briefing from DOD that would include an explanation of how the overbilling occurred and how DOD plans to recover the charges.

In the wake of the DOD IG's report on counternarcotics contracts management, Chairman McCaskill wrote to the Inspector General for the Department of State (State IG) on May 30, 2014, requesting that the State IG review the State Department's (State) counternarcotics contracts. The predecessor of the Subcommittee on Financial and Contracting Oversight, the Subcommittee on Contracting Oversight, then chaired by Senator McCaskill, released a report in 2011 that reviewed State's counternarcotics contracts and found a lack of contract oversight. Given the DOD IG's report on DOD counternarcotics contracts and that several of State's counternarcotics contracts were with the same subcontractor used by Northrop Grumman, Chairman McCaskill requested that the State IG conduct a review to ensure that similar overbilling and waste had not occurred.

H. DUPLICATION

The Subcommittee held two hearings focusing on overlap and duplication among Federal agencies.

1. *A More Efficient Government: Streamlining Overseas Trade and Development Agencies* (S. Hrg. 113-256) (December 11, 2013)

This hearing focused on ways to examine opportunities to improve the efficiency and effectiveness of Overseas Private Investment Corporation (OPIC), and the U.S. Trade and Development Agency (TDA). The hearing examined the lack of independent oversight of both agencies, the agencies' functions, the level to which OPIC's investments comport with its development mission, and the apparent lack of transparency of TDA's awards. The hearing also addressed what opportunities may exist to streamline or combine the functions of OPIC and TDA, including financial management and oversight, with other Federal agencies.

Witnesses: Elizabeth Littlefield, President; and CEO, Overseas Private Investment Corporation, and Leocadia Zak, Director, U.S. Trade and Development Agency.

2. A More Efficient and Effective Government: The National Technical Information Service (S. Hrg. 113–511) (July 23, 2014)

This hearing focused on the role of the National Technical Information Service (NTIS), a little-known agency whose valuable mission to maintain a database of technical government documents has become largely obsolete with the advent of the internet. The hearing also examined the NTIS’s strategy of selling services to other government agencies, draining Federal money, in order to maintain its database. The proposed bipartisan “Let Me Google that for You” Act, which would allow the government to more efficiently maintain the core services provided by NTIS without inefficient duplication, was also discussed.

Witnesses: Valerie Melvin, Director of Information Management and Technology Resource Issues at GAO; and the Honorable Bruce Borzino, Director of the National Technical Information Service.

I. ENERGY DEPARTMENT CONTRACTS

The Subcommittee continued its oversight of contract management and oversight at the Department of Energy.

1. Investigation: Department of Energy

On September 13, 2013, Chairman McCaskill sent Senator Wyden, Chairman of the Committee on Energy and Natural Resources, information regarding the Department of Energy’s (DOE) reimbursement of contractors’ legal fees for defending against whistleblower reprisal claims, for the committee’s use in their oversight of DOE.

On June 24, 2014, Chairman McCaskill sent a letter requesting DOE’s response to the questions for the record that were provided on March 26, 2014.

On October 20, 2014, Chairman McCaskill sent a letter to DOE regarding DOE IG’s allegation that they could not reach a conclusion regarding the termination of Donna Busche because DOE contractors had refused to adequately respond and provide documents. Chairman McCaskill requested that DOE provide a briefing to Subcommittee staff detailing DOE’s plans to address the contractor’s lack of cooperation with DOE IG’s request.

2. Contract Management by the Department of Energy (S. Hrg. 113–294) (June 27, 2013)

This hearing examined the Department of Energy’s long history of poor oversight in the Office of Environmental Management. The hearing examined the Department’s oversight of environmental remediation at active cleanup sites, including its ability to manage and control the projects’ costs, schedules, and safety. The hearing also assessed the Department’s reliance on cost-based contracts and examined a handful of contractors who continue to be awarded contracts at multiple facilities despite a record of mismanagement.

Witnesses: Gregory H. Friedman, Inspector General, Department of Energy Office of Inspector General; Joseph F. Bader, Board

Member, U.S. Defense Nuclear Facilities Safety Board; J.E. “Jack” Surash, Deputy Assistant Secretary, Acquisition and Project Management, Office of Environmental Management, U.S. Department of Energy; Michael Graham, Principal Vice President, Bechtel National, Inc.; Michael McKelvy, President and Division Chief, Executive Government, Environment, and Infrastructure Division, CH2M HILL; and Frank Sheppard, Jr., Vice President and Deputy Project Manager, Parsons Corporation.

3. *Whistleblower Retaliation at the Hanford Nuclear Site (S. Hrg. 113-370) (March 11, 2014)*

This hearing focused on safety culture and whistleblower retaliation by Department of Energy (DOE) contractors at the Hanford Waste Treatment Plant (WTP). The hearing examined a litany of cost overruns and schedule delays in connection with the plant, as well as allegations that DOE and its contractors engaged in retaliation against employees who raised concerns about the safety of the WTP’s design and construction. The firing of whistleblowers who raised safety concerns reflected a chilled atmosphere regarding safety at the WTP.

Witnesses: Bill Eckroade, Deputy Chief of Operations, Office of Health Safety and Security, U.S. Department of Energy; Matt Moury, Deputy Assistant Secretary for Safety, Security and Quality Programs, Environmental Management, U.S. Department of Energy; James Taylor, Senior Vice President, Global Management and Operations Services, URS Corporation; Michael Graham, Principal Vice President, Bechtel National, Inc.

4. *Whistleblower Retaliation at the Hanford Nuclear Site (March 11, 2014)*

This roundtable focused on the safety culture at the Hanford Waste Treatment Plant (WTP) and the allegations of whistleblower retaliation that resulted when safety and technical concerns were brought to the attention of the Department of Energy (DOE) and contractor management. The roundtable also examined the large legal fees that can be racked up in whistleblower lawsuits, with taxpayers footing bills for millions of dollars while whistleblowers are slowly ground down in a barrage of filings.

Participants: Former WTP Manager for Environmental and Nuclear Safety; Donna Busche, former WTP Manager of Research and Technology; Dr. Walter L. Tamosaitis; and Executive Director of Hanford Challenge Tom Carpenter.

5. *Investigation: ORISE Fellowship Program*

While conducting oversight of POW/MIA accounting, Chairman McCaskill became aware that a Department of Defense component known as the Joint Prisoner of War/Missing in Action Accounting Command (JPAC) relies heavily on members of the Oak Ridge Institute for Science and Education (ORISE) fellowship program to accomplish its mission, and that a significant portion of what JPAC pays for fellows goes towards overhead. On September 13, 2013, Chairman McCaskill sent a letter to the Department of Energy (DOE) and Oak Ridge Associated Universities requesting information about the ORISE fellowship program. In addition to requesting

information about the rules and nature of the fellowship program, Chairman McCaskill requested a briefing to better understand the extent to which there exists oversight of the program by government officials.

On January 16, 2014, Chairman McCaskill sent a letter to the President and Chief Executive Office of Oak Ridge Associated Universities requesting that he investigate allegations that an ORISE Fellow working at the JPAC, named Paul Cole, had harassed several individuals while at JPAC.

On January 31, 2014, after conducting a review of the ORISE program, Chairman McCaskill sent a letter to the Comptroller General for the Government Accountability Office (GAO) requesting that GAO review the ORISE fellowship program to determine the cost of the ORISE fellowship program, the benefits afforded to ORISE fellows, and what oversight, if any, exists for the program.

J. FEDERAL HOUSING ADMINISTRATION

The Subcommittee initiated one investigation into the Federal Housing Administration's Real Estate Owned Properties Program.

On July 7, 2014, Chairman McCaskill sent a letter to the Assistant Secretary for Housing at the Department of Housing and Urban Development regarding the Federal Housing Administration's (FHA) Real Estate-Owned (REO) properties program. This request followed a Government Accountability Office (GAO) report that found that FHA's divided property custody approach between mortgage services and REO contractors had jeopardized billions of dollars in potential savings. To conduct oversight of the REO program, Chairman McCaskill requested information related to Field Service Managers, Asset Managers, and REO disposition practices.

On December 5, 2014, Chairman McCaskill sent a letter to the Acting Assistant Secretary and Federal Housing Administration Commissioner, expressing gratitude that FHA was beginning to address the deficiencies in contract management outlined by GAO. Chairman McCaskill encouraged FHA to continue its oversight of contractors, and to use all available tools to ensure that contractors continue to perform satisfactorily.

K. DURABLE MEDICAL EQUIPMENT

The Subcommittee initiated one investigation and held one hearing to review oversight of durable medical equipment reimbursements under Medicare Part B by the Centers for Medicare and Medicaid Services, including its efforts to control costs and detect and prevent abusive practices and improper payments.

1. Oversight and Business Practices of Durable Medical Equipment Companies, Part I (S. Hrg. 113-322) (April 24, 2013)

This hearing reviewed payments by the Centers for Medicare & Medicaid Services (CMS) under Medicare Part B to suppliers of medical products such as diabetic testing equipment, CPAP machines, power mobility devices, and back braces, also known as durable medical equipment (DME). The hearing also examined the promotion and marketing of these types of products by DME companies to patients and their doctors. The hearing assessed CMS'

oversight of DME reimbursements under Medicare Part B, including its efforts to control costs and detect and prevent abusive practices and improper payments.

Witnesses: Invited but Failed to appear: Jon Letko, U.S. Healthcare Supply, LLC; Invited: Dr. Steve Silverman, Med-Care Diabetic and Medical Supplies; Peter Budetti, Deputy Administrator and Director, Center for Program Integrity, Centers for Medicare & Medicaid Services; Laurence Wilson, Director, Chronic Care Policy Group, Center for Medicare, Centers for Medicare and Medicaid Services; Charlene Stanley, Zone Program Integrity Contractor Operations Director, AdvanceMed Corporation.

2. Oversight and Business Practices of Durable Medical Equipment Companies, Part II (S. Hrg. 113-322) (May 22, 2013)

This hearing was a continuation of the Subcommittee's April 24, 2013 hearing on durable medical equipment (DME). Two witnesses invited by the Subcommittee to provide testimony at that hearing failed to appear. The Subcommittee subpoenaed these witnesses to appear and answer questions regarding their marketing practices.

The witness representing U.S. Healthcare Supply, LLC asserted his Fifth Amendment right and was excused from the hearing. The witness from Med-Care Diabetic & Medical Supplies answered questions regarding his company's sale and reimbursement of DME to Medicare beneficiaries under Medicare Part B. He also discussed the promotion and marketing of DME to Medicare beneficiaries, including his compliance with applicable statutes and regulations. Further, he responded to inquiries about audits and closed investigations relating to the sale of DME under Medicare Part B.

Witnesses: Jon Letko, U.S. Healthcare Supply, LLC; and Dr. Steve Silverman, Med-Care Diabetic and Medical Supplies.

3. Investigation: Durable Medical Equipment Follow-up

On June 19, 2013, Chairman McCaskill sent a letter to the Department of Health and Human Services (HHS), providing a list of companies about which the Subcommittee had received complaints for HHS to review and, if warranted, conduct investigations into wrongdoing.

4. Investigation: Healthcare.gov

In response to information provided by whistleblowers, Chairman McCaskill sent a letter on May 15, 2014 to the Department of Health and Human Services Inspector General (HHS IG) requesting that the HHS IG review allegations of wrongdoing on the Healthcare.gov contract by Cognosante, a subcontractor of the prime contractor Serco.

On November 22, 2013, Chairman McCaskill sent a letter to the Comptroller General for the Government Accountability Office (GAO) requesting a review of the award, management, and oversight of contracts for websites related to the Healthcare.gov platform. Following a 2010 Subcommittee hearing regarding the management and oversight of contracts awarded by the Centers for Medicare and Medicaid Services (CMS), reports surfaced that CMS was not following the recommendations set forth in the related GAO report. Chairman McCaskill, therefore, requested that GAO

review all aspects of contract management and oversight for the Healthcare.gov platform, including those contracts awarded by CMS.

L. INSPECTORS GENERAL

1. Investigation: Department of Homeland Security Office of Inspector General

On June 27, 2013, Chairman McCaskill sent a letter to Deputy Inspector General for the Department of Homeland Security, Charles Edwards, informing him of allegations of misconduct that had been brought to the Subcommittee's attention by several whistleblowers. Chairman McCaskill's letter laid out the allegations against Edwards and requested information and documents that would help the Subcommittee in its investigation. On October 30, 2013, Chairman McCaskill and Ranking Member Johnson wrote a second letter to Deputy Inspector Edwards re-requesting the information and documents requested on June 27, 2013. As of June 27, 2013, Edwards had produced partial responses to the requests made by Chairman McCaskill and several employees had refused interviews.

On April 23, 2014, Chairman McCaskill and Ranking Member Johnson sent a letter to the Chair of the Council of the Inspectors General on Integrity and Efficiency informing the council that the Subcommittee had concluded its bipartisan investigation of Deputy Inspector General Charles Edwards, and had found that Mr. Edwards jeopardized the independence of the Office of the Inspector General and abused agency resources. The letter provided a copy of the report produced by the Subcommittee and requested that the council conduct an investigation into the allegations of wrong doing, as required by the Inspector General Act.

On June 13, 2014, in response to the request by Ranking Member Zoe Lofgren for information regarding the Subcommittee's investigation into Deputy Inspector General Charles Edwards, Chairman McCaskill and Ranking Member Johnson provided a copy of the relevant portion of the interview transcript referred to in the report by the Subcommittee.

2. Investigation: The Denali Commission

On September 23, 2013, Chairman McCaskill and Chairman Issa sent a letter to the Office of Management and Budget (OMB) regarding the independence of the Denali Commission's Office of Inspector General. This letter responded to reports that the Denali Commission planned to apply a provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act to the Denali Commission, which would change the head of the Denali Commission and compromise the independence of the Inspector General. Chairmen McCaskill and Chairman Issa requested that OMB provide guidance by responding in writing to the Denali Commission and the Inspector General, and publish the List of Designated Federal Entities in the Federal Register.

On December 2, 2013, OMB responded to Chairmen McCaskill and Chairman Issa's concerns regarding the Denali Commission, informing McCaskill that the Denali Commission had received the

necessary guidance. OMB published its list of Designated Federal Entities in on January 10, 2014 for the first time in four years.

3. Oversight of Small Agencies (S. Hrg. 113-409) (April 10, 2014)

This hearing focused on the processes and mechanisms by which small agencies and other Federal entities without statutory inspectors general receive oversight. The hearing examined the challenges faced by both large and small IG offices in providing oversight to small agencies. The hearing also examined potential legislative actions to improve the oversight of small agencies.

Witnesses: Hon. Peggy E. Gustafson, Inspector General of the U.S. Small Business Administration; Hon. Osvaldo L. Gratacos, Inspector General of the Export-Import Bank of the United States; Hubert Sparks, Inspector General of the Appalachian Regional Commission; Michael G. Carroll, Acting Inspector General of the U.S. Agency for International Development; and Beryl Davis, Director of Financial Management and Assurance of the U.S. Government Accountability Office.

M. POLICE MILITARIZATION

1. Investigation: Police Militarization

In August 2014, Subcommittee staff began an investigation into the militarization of police forces, and the means by which local law enforcement agencies receive military-grade equipment and weapons. On August 27, 2014, Chairman McCaskill sent letters to DOD, DOJ, and DHS requesting information and documents regarding the programs that they have that allow local law enforcement to receive military-grade equipment. As a part of this investigation, the Subcommittee staff also met with stakeholders in the law enforcement community, community activists, DOJ, DHS, and DOD officials to discuss their views and concerns.

This investigation culminated in a full committee hearing on September 9, 2014, chaired by Senator McCaskill, entitled “Oversight of Federal Programs for Equipping State and Local Law Enforcement.” This hearing included witnesses from DHS, DOD, DOJ, the Police Foundation, The National Tactical Officers Association, and the National Association for the Advancement of Colored People, as well as a photojournalist who was present during the protests that took place in Ferguson, MO, and an academic who has specialized in studying the militarization of police forces.

The hearing revealed that 36 percent of the equipment sent to local police departments through the Department of Defense (DOD) was either never or little used by the military, that more than 450 guns have been lost by state and local police departments that were sent as part of the DOD programs, and that local police departments in 49 of 50 states have more Mine-Resistant Ambush Protected Vehicles (MRAPs) than their state’s National Guard units.

N. POSTAL SERVICE

1. Investigation: Postal Service

On February 4, 2014, Chairman McCaskill sent a letter to the Postmaster General requesting information and documents to help the Subcommittee's investigation into the relationship between the United States Postal Service (USPS), United Parcel Service (UPS), and FedEx, as it relates to "last mile" delivery services or Parcel Select contracts undertaken by USPS.

On February 4, 2014, Chairman McCaskill sent a letter to the Comptroller General for the Government Accountability Office (GAO) requesting that GAO review USPS agreements with FedEx and UPS and conduct a cost study to assess the accuracy of the annual costs attributable to the Parcel Select mail class.

On August 1, 2014 Chairman McCaskill and Ranking Member Johnson sent a letter to members of the Committee on Appropriations requesting that they include language in any omnibus appropriations legislation or continuing resolution that would prevent USPS from closing or consolidating mail processing facilities during Fiscal Year 2015.

O. POW/MIA

The Subcommittee initiated an investigation and held a hearing on the management and oversight of POW/MIA recovery activities at the Department of Defense.

1. Investigation: POW/MIA

On July 8, 2013, Chairman McCaskill sent a letter to the Commander of the Joint POW/MIA Accounting Command (JPAC) regarding allegations of waste, fraud and abuse at JPAC that had been investigated in an internal JPAC report. Chairman McCaskill requested a copy of the internal JPAC report, a briefing on the findings, and JPAC's response, related communications, evaluations, or findings related to the report.

Following the hearing entitled "Mismanagement of POW/MIA Accounting" Chairman McCaskill and Senator Ayotte sent a letter on September 13, 2013 to the Secretary of Defense discussing the findings of the hearing and the Department of Defense's (DOD) plans to implement changes to improve the organizational structure and communication within the Joint Prisoner of War/Missing in Action Accounting Command (JPAC) and the Defense Prisoner of War/Missing Person Personnel Office (DPMO). Chairman McCaskill and Senator Ayotte requested that DOD provide detailed information regarding their plan to implement changes recommended by the Government Accountability Office (GAO) and assurances that DOD would investigate whistleblower claims and protect whistleblowers from retaliation.

On September 13, 2013, Chairman McCaskill sent a letter to the Department of Defense Office of Inspector General (DOD IG) urging the investigation of alleged hostile work environments within the POW/MIA accounting community and the review of the POW/MIA accounting community as a whole.

On October 25, 2013, Chairman McCaskill sent a letter to the Secretary of Defense regarding reports that the DOD was staging

“arrival” ceremonies for recovered remains that were already at the JPAC Central Identification Laboratory (CIL). Chairman McCaskill requested detailed information and documents regarding these ceremonies and all representations made to the families of the identified service members by DOD. Chairman McCaskill also requested a briefing regarding the DOD’s progress implementing recommended changes to DOD’s management of POW/MIA accounting practices.

On January 9, 2014, Chairman McCaskill and Senator Ayotte sent a letter to the Secretary of Defense regarding DOD’s efforts to implement reforms, including a review by Cost Assessment and Program Evaluation (CAPE). While pleased that reform was taking place, the Senators remained concerned that DOD was not adequately addressing serious problems in the accounting community such as transparency, infrequent reporting, and the absence of honest accountability. Chairman McCaskill and Senator Ayotte alerted DOD of the new reporting requirements included in the 2014 National Defense Authorization Act, and requested a briefing following the completion of the CAPE evaluation.

2. Mismanagement of POW/MIA Accounting (S. Hrg. 113–293) (August 1, 2013)

This hearing focused on the Defense Department’s financial management and oversight of its accounting mission. It examined the roles of JPAC, DPMO, CIL, and LSEL. The hearing examined the discrepancy between increased funds allocated for the identification of missing personnel and the lack of any significant increase in identifications. The hearing also involved a discussion of the role of communication and coordination within the Department of Defense, the operational responsibilities of the various agencies, and the steps that can be taken to help the Department better fulfill its accounting mission.

Witnesses: Major General Kelly K. McKeague, Commander, Joint POW/MIA Accounting Command (JPAC); Major General W. Montague Winfield, (Ret.), Deputy Assistant Secretary of Defense for POW/Missing Personnel Affairs and Director, Defense Prisoner of War/Missing Personnel Office (DPMO); and John A. Goines, Chief, Life Sciences Equipment Laboratory (LSEL), United States Air Force.

P. ACCESS TO CLASSIFIED INFORMATION AND SECURE FACILITIES

The Subcommittee continued its oversight of how government agencies allow access to classified information and secure facilities.

1. Investigation: Security Clearances

On July 10, 2013, Chairman McCaskill sent a letter to the Comptroller General for the Government Accountability Office (GAO), requesting that GAO evaluate the differences in the quality and depth of security clearance background investigations that agencies use to allow access to classified national security information.

On December 9, 2013, Chairman McCaskill sent a letter to the Chair of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) requesting that CIGIE review the role of Inspectors General in the security clearance review process and evaluate

the procedures used by the Inspectors General to ensure that relevant information is shared with security clearance review offices. Chairman McCaskill additionally requested that CIGIE prepare and disseminate guidelines and best practices for Inspectors General participation in the security clearance process.

On April 7, 2014, Chairman McCaskill and Senators Collins, Ayotte, and Heitkamp sent a letter to Chairman Carper and Ranking Member Coburn urging the mark up of the bill introduced on October 30, 2013, entitled “The Enhanced Security Clearance Act of 2013.”

On July 21, 2014, Chairman McCaskill and Chairman Carper sent a letter to the Secretary of the Department of Homeland Security (DHS) regarding U.S. Citizen and Immigration Services’ (USCIS) decision to award a \$190 million contract to U.S. Investigation Services, Inc., (USIS). USIS is a contractor that was joined in a lawsuit on behalf of the Department of Justice alleging a systematic failure by USIS to adequately conduct security clearance investigations. Chairmen McCaskill and Carper requested information and a briefing regarding the DHS’s acquisition process including the nature of the services contracted from USIS and the source selection procedures used.

2. Safeguarding Our Nation’s Secrets: Examining the Security Clearance Process (S. Hrg. 113–316) (June 20, 2013)

This joint hearing, held with the Subcommittee on the Efficiency and Effectiveness of Federal Program and the Federal Workforce, reviewed how the Federal government conducts investigations to determine whether Federal employees and contractors are eligible for access to classified information. The hearing examined the management and oversight of the Federal employees and contractors responsible for planning, conducting, and reviewing investigations and issuing security clearances. The hearing also examined the efficiency and effectiveness of the security clearance process.

Witnesses: Hon. Patrick E. McFarland, Inspector General for the U.S. Office of Personnel Management (OPM) accompanied by Michelle B. Schmitz, Associate Inspector General for Investigations for OPM; Merton W. Miller, Associate Director of Investigations of the Federal Investigative Services (FIS) for OPM; Stephen F. Lewis, Deputy Director for the Security Directorate Office of the Under Secretary of Defense (Intelligence) for the U.S. Department of Defense accompanied by Stanley L. Sims, Director of the Defense Security Service for the U.S. Department of Defense; and Brenda S. Farrell, Director of Defense Capabilities and Management for the U.S. Government Accountability Office (GAO).

3. Investigation: Navy Yard Shooting

On September 16, 2013, Chairman McCaskill received an advance copy of the Defense Department’s Office of Inspector General’s (DOD IG) report which revealed the Navy’s failure to adequately manage and oversee the contract associated with the Navy Commercial Access Control System (NCACS), which was responsible for background checks for contractor personnel. In particular, this report revealed that Eid Passport, the contractor charged with the administration of the NCACS program, failed to prevent access

to military installations before background checks were completed. On September 17, 2013, in the wake of the September 16 shooting at the Navy Yard complex in Washington, DC, Chairman McCaskill sent a letter to the Secretary of the Navy regarding the Navy's management and oversight of contractor access to Navy installations. Chairman McCaskill requested a briefing detailing the Navy's management and oversight of contractor access to Navy installations under both the NCACS and all alternative systems.

On September 18, 2013, Chairman McCaskill, Ranking Member Johnson, and Senators Tester and Portman sent a letter to the Inspector General for the Office of Personnel Management (OPM IG) requesting a review of the security clearance background investigation conducted for Aaron Alexis, the perpetrator of the Navy Yard shooting.

On October 28, 2013, Chairman McCaskill sent letters to the Secretary of the Army, the Commandant of the Coast Guard, and the Administrator of NASA requesting that each respective department review their contracts for the use of Eid Passport's Rapidgate system.

Q. STATE DEPARTMENT CONTRACTS

The Subcommittee continued its oversight of the State Department's management and oversight of contracts.

On April 29, 2014, Chairman McCaskill sent a letter to the Secretary of State regarding the State Department's decision to solicit a contract for "Congressional Training" to provide training for senior level officials within the State Department on how to give effective congressional testimony and briefings. The Chairman requested information and documents regarding the contract solicitation to assist the Subcommittee in its oversight of State Department contracting. On June 19, 2014, Chairman McCaskill sent a second letter to the Secretary of State regarding the State Department's solicitation of a contract for "Congressional Training." This June 19th letter reiterated the request for information and added a request for copies of all course material used in the congressional training sessions.

On April 9, 2014, Chairman McCaskill sent a letter to the Under Secretary for management at the State Department regarding the State Department Inspector General's (State IG) report which identified "significant vulnerabilities" in contract management at the State Department. Chairman McCaskill requested that the State Department provide information regarding their plans to implement changes in their contract management to conform with State IG's management-related recommendations.

R. STUDENT LOANS

The Subcommittee initiated an investigation into the Department of Education's management and oversight of contracts related to student loans.

On July 8, 2014, Chairman McCaskill along with Senators Warren, Tester, Baldwin, Murray, Durbin, Reed, Brown, and Blumenthal sent a letter to the Secretary of Education regarding the Department of Education's (DOE) contracts for the origination,

disbursement, and servicing of student loans. The letter expressed concerns over the DOE's planning, management, and competition of student loan servicing contracts. The Senators expressed particular concern for the DOE's choice to re-negotiate a contract with Navient Inc., a loan servicer that was formerly part of Sallie Mae, and that has agreed to pay nearly \$100 million to settle allegations that they improperly charged U.S. service members for their student loans. The Senators requested information and documents to assist in the Subcommittee's oversight of the DOE's contracting process. The Subcommittee's investigation is ongoing.

S. TRAUMATIC BRAIN INJURY (TBI) AND VETERANS' MENTAL HEALTH

The Subcommittee initiated an investigation into the National Guard's management and oversight of contracts for mental health service personnel.

The Subcommittee received information revealing that the National Guard's management and oversight of contracts for mental health service personnel coordination may have resulted in inadequate mental health care for service members of the National Guard. On June 19, 2013, Chairman McCaskill sent a letter to the Chief of the National Guard Bureau requesting information and documents regarding the National Guard's contracts for the coordination of mental health services personnel at both Air National Guard and National Guard bases across the country. On July 29, 2013 Chairman McCaskill sent letters to National Guard mental health contractors Global Consulting Alliance, Goldbelt Glacier Health Services, MHN, Serco, Inc., and Skyline Ultd Inc., requesting information and documents regarding the contract management for their work in coordinating mental health services and mental health personnel for the National Guard.

On December 12, 2014, Chairman McCaskill sent a letter to the Chief of the National Guard Bureau thanking them for their responses and cooperation with the Subcommittee's investigation. As a result of the Subcommittee's investigation, the National Guard is currently addressing many of the deficiencies cited by the Subcommittee; including taking measures to make formerly contracted positions Federal positions and expanding its psychological health program.

T. WHISTLEBLOWERS

The Subcommittee continued its ongoing oversight of the protections afforded to whistleblowers.

On February 4, 2014, Chairman McCaskill and Senator Grassley sent a letter to the Comptroller General for the Government Accountability Office (GAO) requesting that GAO conduct a review of whistleblower reprisal investigations conducted by the Department of Defense's Office of Inspector General (DOD IG), with a particular focus on investigations conducted by the inspectors general of the military services. The report is expected to be completed in spring 2015.

On September 18, 2014, Chairman McCaskill, along with Ranking Member Johnson, Senators Carper, Coburn, Levin, and Representatives Smith, Issa, and Cummings, sent a letter to the DOD

IG regarding the DOD IG's interpretation of the protections afforded to whistleblowers in the 2008 and 2013 National Defense Authorization Acts. The members of Congress strongly disagreed with the DOD IG's interpretation of the whistleblower protection provisions, stating that DOD IG's interpretation "disregards both the plain language and the spirit of the legislation" that was meant to protect government contractor and subcontractor whistleblowers. The members of Congress requested that the DOD IG review its interpretation and implementation of whistleblower protections to determine whether they had complied with the laws granting increased protection to government contractors and subcontractors and that DOD IG produce a report on their findings for review by the respective congressional Committees. On October 22, 2014, DOD IG sent a response stating that they were taking steps to implement changes to their interpretation of whistleblower protections.

On June 19, 2014, Chairman McCaskill sent a letter to the Office of Special Counsel (OSC) requesting that OSC take prompt action in investigating and adjudicating the cases of alleged whistleblower retaliation at the Department of Veterans Affairs (VA), and requesting that OSC provide information to the Subcommittee regarding the alleged retaliation and the progress of OSC's investigation. On June 23, 2014, OSC provided its findings on whistleblower disclosures from the VA center in Jackson, Mississippi, and outlined recommendations and next steps including the designation of a high-level VA official to assess the conclusions found by OSC.

III. LEGISLATION

The Subcommittee's investigations and hearings have revealed the need for changes to existing law. During the 113th Congress, Chairman McCaskill introduced the following legislative proposals in her capacity as a Senator.

A. A BILL TO PROHIBIT PERFORMANCE AWARDS IN THE SENIOR EXECUTIVE SERVICE DURING SEQUESTRATION PERIODS (S.986)

On May 16, 2013, Chairman McCaskill, along with co-sponsors Senator Coburn and Senator Johnson, introduced S. 986, A Bill to Prohibit Performance Awards in the Senior Executive Service during Sequestration Periods. The bill would prohibit a Federal agency from paying a performance award to an employee in a Senior Executive Service position during a sequestration period or any period during which a sequestration order is issued under the Balanced Budget and Emergency Deficit Control Act. On May 16, 2013, the bill was referred to the Committee on Homeland Security and Governmental Affairs.

B. CONTRACTING AND TAX ACCOUNTABILITY ACT OF 2014 (S.2247)

On April 10, 2014, Chairman McCaskill introduced S. 2247, the Contracting and Tax Accountability Act of 2014. The bill would require the head of any executive agency that issues an invitation for bids or a request for proposals for a contract, or that offers a grant, in an amount greater than the simplified acquisition threshold to require each person that submits a bid or proposal to submit with

the bid or proposal a form certifying whether they have seriously delinquent tax debt, and authorizing the Secretary of the Treasury to disclose information limited to whether the person has such debt. The bill was referred to the Committee on Homeland Security and Governmental Affairs on April 10, 2014.

C. NSA INTERNAL WATCHDOG ACT (S. 2439)

On June 5, 2014, Chairman McCaskill introduced S. 2439, the NSA Internal Watchdog Act. The bill would amend the Inspector General Act of 1978 to require the President to appoint, with advice and consent of the Senate, the Inspector General of the National Security Agency (NSA). Under the Inspector General Act of 1978, the NSA Inspector General was appointed by the NSA Director. The bill was referred to the Senate Committee on Intelligence on June 5, 2014.

D. A BILL TO REQUIRE THE TERMINATION OF ANY EMPLOYEE OF THE DEPARTMENT OF VETERANS AFFAIRS WHO IS FOUND TO HAVE RETALIATED AGAINST A WHISTLEBLOWER (S. 2606)

On July 15, 2014, Chairman McCaskill introduced S. 2606, a bill to require the termination of any employee of the Department of Veterans Affairs who is found to have retaliated against a whistleblower. The bill was referred to the Committee on Veterans Affairs on July 15, 2014.

E. NATIONAL DEFENSE AUTHORIZATION ACT FOR FY 2014 (H.R. 3304)

The National Defense Authorization Act (NDAA) for Fiscal Year 2014 included an amendment proposed by Senator McCaskill aimed at reforming POW/MIA accounting within the Department of Defense (DOD). More specifically, under this amendment DOD is required to submit a formal plan for reorganizing and boosting accountability within the POW/MIA recovery program. That plan would include: an analysis of whether different segments of the recovery effort should be combined, such as the Joint POW/MIA Accounting Command (JPAC) and the Defense Prisoner of War/Missing Person Personnel Office (DPMO); a determination as to which of these components should have direct responsibility for accounting activities; and an analysis of how other countries conduct POW/MIA accounting to identify best practices that could be adopted in the United States. Senator McCaskill's amendment also requires DOD to report on the actual number of POW/MIA, including: (1) the total current number of POW/MIA, including a break-out of these numbers by conflict, and specifically how many are believed to be located in North Korea, (2) the number of POW/MIA believed to be lost at sea or in a geographically inaccessible location by each conflict, (3) the number of remains in the custody of the Defense Department that are awaiting identification, and the number of remains that have been interred without identification, and (4) the number of cases in which next of kin have refused to provide DNA samples.

F. NATIONAL DEFENSE AUTHORIZATION ACT FOR FY 2015
(H.R. 3979)

Several of the amendments to the National Defense Authorization Act (NDAA) for Fiscal Year 2015, proposed by Senator McCaskill and based on her work with the Subcommittee, were adopted during the markup of the bill and signed into law by the President on December 19, 2014. These included provisions for improving the oversight of infrastructure projects in Afghanistan, increasing accountability for POW/MIA program management, strengthening whistleblower protections, and curbing waste in contractor response to congressional hearings and Army National Guard Advertising.

1. Afghan Ministries Infrastructure

Section 1531 prohibits any funding authorized in the bill from being used for the Afghanistan Infrastructure Fund. Section 1230 prohibits funding for construction projects in Afghanistan greater than \$1 million that cannot be audited and physically inspected by U.S. Government personnel or designated representatives. This section also provides for a waiver based on factors that were included in the Senate version of the bill, including a determination that the project has been coordinated with the government of Afghanistan and that adequate arrangements have been made for the sustainment of projects.

2. POW/MIA

Section 916 requires the establishment of a single defense agency responsible for POW/MIA efforts and requires the Department to report on policies and proposals for providing access to information and documents to the next of kin of missing service personnel.

3. Whistleblower Protections

Section 856 extends whistleblower protections to Department of Defense contract grantees and sub-grantees.

4. Contractor Waste

Section 857 prohibits the reimbursement of costs incurred by Federal contractors in connection with a congressional investigation or inquiry into an issue that is the subject matter of a proceeding resulting in a disposition.

5. Army National Guard Contracts

The NDAA for FY 2015 cuts \$13.8 million from the Army National Guard advertising budget.

G. S. AMENDMENT 504 TO S. CON. RES. 8

On March 21, 2013, Chairman McCaskill submitted S.A. 504 to S. Con. Res. 8, a bill setting forth the congressional budget for the United States Government for Fiscal Year 2014. This amendment would allow the Committee on the Budget of the Senate to revise the allocations of a committee that achieve savings through various means, including reform of acquisition policy, the use of scientific methodology for the elimination, reform, or consolidation of Federal

agencies or programs, the sale of Federal property, a reduction of improper payments, an increase in the use of strategic sourcing, a reduction in the use of sole-source contracting, an increase in the use of fixed-price contracting, improved training and utilization of the acquisition workforce, or the removal of contracting preferences for Alaska Natives beyond those available to other participants in the program under section 8(a) of the Small Business Act, such as the ability to receive sole-source contracts above threshold amounts, and that reduce the deficit over a period of years.

SUBCOMMITTEE ON EMERGENCY MANAGEMENT,
INTERGOVERNMENTAL RELATIONS, AND THE DISTRICT OF
COLUMBIA

CHAIRMAN: MARK BEGICH (D-AK)

RANKING MEMBER: RAND PAUL (R-KY)

I. AUTHORITY

The Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia focuses on emergency management, disaster relief, and issues relating to the oversight of the District of Columbia. This Subcommittee is responsible for oversight of the Federal Emergency Management Agency (FEMA) and all of its emergency management responsibilities, including preparation for, response to, recovery from and mitigation against natural and man-made disasters. The Subcommittee also reviews the administration of post-disaster relief funds and oversight of financial assistance programs, like homeland security grants. In addition to these responsibilities, the subcommittee oversees the interrelationship between the Department of Homeland Security and states, localities, and first responders in preventing and responding to natural disasters, terrorism, and other man-made disasters. The Subcommittee is also responsible for all matters regarding the oversight of the District of Columbia, including the District court system.

II. ACTIVITY

During the 113th Congress, the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia held 12 hearings, authorized one investigation, and introduced, or joined as original co-sponsor, eight related pieces of legislation.

The following is a summary of the activities of the Subcommittee, organized by topic.

A. HEARINGS

1. *The Role of the Private Sector in Preparedness and Emergency Response. May 8, 2013. (S. Hrg. 113-216)*

The hearing was held in order to consider issues related to the inclusion of the private sector in disaster preparedness and response activities at the Federal, State, and local levels. The subcommittee hoped to examine how the private sector could best support community preparedness in response to natural and manmade disasters and explore the ways that FEMA and the Federal government reach out to the private sector. There was also to be some discussion regarding the budget efficiencies that could be achieved by empowering the private sector and non-profit organizations in the recovery process. Furthermore, the hearing was to focus on the value of mitigation from a business perspective and the importance of highlighting best practices while taking into account the lessons learned in regards to loss avoidance strategies that support economically resilient communities. It was anticipated that the hear-

ing would develop an understanding of how the private sector could better prepare for disasters by developing plans, identifying priorities, engaging stakeholders, and reducing disaster cost.

Witnesses: Elizabeth Zimmerman, Deputy Associate Administrator, Office of Response and Recovery, Federal Emergency Management Agency; Michael Chodos, Associate Administrator, Office of Entrepreneurial Development, U.S. Small Business Administration; Chris Terzich, Chair, Regional Consortium Coordinating Council; Michael Merwath, Senior Vice President and Chief Underwriter of the United Services Automobile Association; and Daniel Stoecker, Executive Director of the National Volunteer Organizations Active in Disasters.

2. Are We Prepared? Measuring the Impact of Preparedness Grants Since 9/11. June 25, 2013. (S. Hrg. 113-217)

The hearing focused on measuring of the impact of FEMA grants since 9/11 and the role Federal, State, and local governments play in developing metrics to assess preparedness for natural and man-made events. Since September 11, 2001, the nation has invested almost \$40 billion in equipment, training, and exercising and in order to enhance and sustain essential capabilities, assessments must be done to determine our current level of preparedness and identify gaps that will inform future investment of tax-payer dollars.

Witnesses: Hon. Timothy Manning, Deputy Administrator, Protection and National Preparedness, Federal Emergency Management Agency, U.S. Department of Homeland Security; Anne Richards, Assistant Inspector General for Audits, Office of Inspector General, U.S. Department of Homeland Security; David Maurer, Director, Homeland Security Department and Justice Department, U.S. Government Accountability Office; John Madden, Director, Alaska Division of Homeland Security and Emergency Management, National Emergency Management Association, National Governors Association; Hon. William Euille, Mayor, City of Alexandria, Virginia, U.S. Conference of Mayors; Josh Filler, Founder and President, Filler Security Strategies, Inc.; and Matt Mayer, Visiting Fellow, Heritage Foundation.

3. How Prepared is the National Capital Region for the Next Disaster? July 31, 2013. (S. Hrg. 113-218)

The focus of the hearing was to: (1) examine the National Capital Region's emergency preparedness and response capabilities, (2) discuss regional coordination and information sharing challenges that are applicable to cities and states across the country, and (3) offer suggestions for how FEMA and other Federal agencies in the National Capital Region might prepare and respond to future disasters.

Witnesses: Hon. Eleanor Holmes Norton, Congresswoman for the District of Columbia; Christopher Geldart, Director, District of Columbia Homeland Security and Emergency Management Agency; Kenneth Mallette, Executive Director, Maryland Emergency Management Agency; Barbara Donnellan, County Manager, Arlington County, Virginia, Metropolitan Washington Council of Govern-

ments; James Schwartz, Fire Chief, Arlington County Fire Department.

4. *Extreme Weather in Alaska: State and Federal Response to Imminent Disasters in the Arctic. September 14, 2013. (S. Hrg. 113-542)*

The focus of this field hearing was to examine the effects of erosion and flooding on at-risk communities throughout Alaska and highlight the challenges that must be addressed by the development of a long-term strategy for adaptation and mitigation in the face of increasingly extreme weather. The hearing also highlighted the challenges faced in the Arctic in regards to Federal and State agency coordination while drawing attention to the gaps that exist in Federal policy that, if addressed, could streamline actions taken to assess risk and protect critical infrastructure.

Witnesses: Vivian Korthuis, Project Development Director, Alaska Association of Village Council Presidents; Thomas Ravens, Ph.D., Professor, University of Alaska at Anchorage; Melanie Bahnke, President, Kawerak, Inc.; David Miller, Associate Administrator, Federal Insurance and Mitigation Administration, Federal Emergency Management Agency, U.S. Department of Homeland Security; Kenneth Murphy, Regional Administrator, Region X, Federal Emergency Management Agency, U.S. Department of Homeland Security; Colonel Christopher Lestochi, U.S. Army Corps of Engineers, U.S. Army Engineer District, Alaska; John Madden, Director, Alaska Division of Homeland Security and Emergency Management Alaska Department of Military and Veterans Affairs.

5. *One Year Later: Examining the Ongoing Recovery from Hurricane Sandy. November 6, 2013. (S. Hrg. 113-495)*

The focus of the hearing was to examine the response to and recovery from Hurricane Sandy, with particular emphasis on the challenges faced by affected communities as they navigated the various Federal agencies tasked with supporting the region following the storm. The hearing highlighted the critical gaps that exist in long-term recovery, including the barriers to rebuilding communities in a timely manner while incorporating innovative mitigation practices that reduce risk from future storms. The discussion focused on the lessons learned by areas hit hardest by Sandy and the gaps in Federal policy that may need to be addressed to fully incorporate innovative disaster relief programs across the country. Witnesses were asked to elaborate on the progress being made to spend the \$60 billion provided to Sandy relief and the effort underway to track this spending to support efficiency across the affected region. Implementation of the Sandy Recovery Improvement Act and the effectiveness of these new tools for future extreme weather events was also examined.

Witnesses: Hon. Shaun L. S. Donovan, Secretary, U.S. Department of Housing and Urban Development; Hon. John D. Porcari, Deputy Secretary, Department of Transportation; Hon. W. Craig Fugate, Administrator, Federal Emergency, Management Agency, U.S. Department of Homeland Security; Hon. Jo-Ellen Darcy, Assistant Secretary of the Army (Civil Works), U.S. Department of the Army; Hon. Kathleen S. Tighe, Chair, The Recovery Account-

ability and Transparency Board; Cas F. Holloway, Deputy Mayor for Operations, City of New York.

6. *Shutdown: Examining Federal Government Closure Impacts on the District of Columbia. January 30, 2014. (S. Hrg. 113-543)*

The hearing was held in order to examine the impacts of Federal Government shutdown, particularly the most recent closure in October 2013, on the District of Columbia. The subcommittee hoped to highlight the extent of any impacts on the city government's daily operations, particularly public service provision, and longer-term effects upon spending efficiency. Furthermore, the hearing served to review the effectiveness of measures undertaken by Congress and District government during the most recent shutdown to mitigate these impacts, as well as steps that might be taken to ensure that the disruption due to any future shutdown is minimized. This hearing allowed the opportunity to have a bipartisan panel of witnesses testify to the importance of passing DC budget autonomy.

Witnesses: Congresswoman Eleanor Holmes Norton, D.C. Delegate to the United States House of Representatives; Hon. Tom Davis, Former Chairman, House Government Reform Committee; Allen Lew, City Administrator, The District of Columbia; Robert Vogel, Superintendent of the National Mall and Memorial Parks, National Park Service.

7. *The Federal Emergency Management Agency's Budget Submission for Fiscal Year 2015. March 13, 2014. (S. Hrg. 113-496)*

The purpose of the hearing was to examine the President's Fiscal Year 2015 budget submission for FEMA and evaluate any programmatic proposals that may be included. Specifically, the Subcommittee is interested in specific details that can be provided on any structural changes the Administration may propose to the preparedness grants.

Witness: Hon. W. Craig Fugate, Administrator, Federal Emergency Management Agency, U.S. Department of Homeland Security.

8. *Transparency and Training: Preparing our First Responders for Emerging Threats and Hazards. March 25, 2014. (S. Hrg. 113-317)*

The focus of the hearing was to examine the challenges posed to first responders by the transportation of hazardous materials. Given the dramatic increase in the transportation of a wide range of hazardous substances, the discussion highlighted the increased need for preparedness and training for first responders as well as the transparency needed to equip these responders with critical information. The hearing discussed the process for integration of emerging threats into emergency response planning and discussed opportunities for critical data to be shared during the planning process.

Witnesses: Mike King, Acting Director of National Training and Education, Superintendent of the Center for Domestic Preparedness, Federal Emergency Management Agency, U.S. Department of Homeland Security; Tim McLean, Chief, Casselton Fire Depart-

ment, Wheatland, North Dakota; Lisa Stabler, President, Transportation Technology Center, Inc.

9. *Fifty Years Since the Great Alaska Earthquake: The Role of First Responders in Catastrophic Disaster Planning. April 4, 2014. (S. Hrg. 113–533)*

The purpose of this field hearing was to evaluate the role of first responders in catastrophic disaster planning. The hearing highlighted the critical relationships between Federal, State, and local emergency response officials and assessed the value of coordinated planning, training, and exercising. The hearing also examined any observations and lessons learned from recent national exercises and how they might be incorporated into future planning efforts.

Witnesses: Hon. W. Craig Fugate, Administrator, Federal Emergency Management Agency, U.S. Department of Homeland Security; John Madden, Director, Alaska Division of Homeland Security and Emergency Management, Alaska Department of Military and Veterans Affairs; George Keeney, Fire Chief, Valdez Fire Department; Danita Koehler, MD, Chair, Rural Committee, National Association of Emergency Medical Services Physicians; Victor Joseph, President and Chairman, Tanana Chiefs Conference; Mike Abbott Assistant Superintendent, Anchorage School District.

10. *The Role of Mitigation in Reducing Federal Expenditures for Disaster Response. May 14, 2014. (S. Hrg. 113–497)*

The focus of the hearing was to examine the potential relationship between investment in mitigation and disaster response and recovery expenditures, discuss the potential impact of mitigation investments on the sustainability and success of the National Flood Insurance Program, highlight innovative examples of mitigation incentives (including public private partnerships) across the country, and offer suggestions for how to overcome barriers that may prevent or deter mitigation from being utilized across the Federal Government.

Witnesses: David Miller, Associate Administrator, Federal Insurance and Mitigation Administration, Federal Emergency Management Agency, U.S. Department of Homeland Security; Christopher Currie, Director, Emergency Management and National Preparedness Issues, U.S. Government Accountability Office; Chad Berginnis, Executive Director, Association of State Floodplain Managers; Robert Detlefsen, Vice President of Public Policy, National Association of Mutual Insurance Companies, Testifying on behalf of the BuildStrong Coalition.

11. *Wildfires: Assessing First Responder Training and Capabilities. June 5, 2014. (S. Hrg. 113–498)*

Given the increasing prevalence of wildfires, primarily in the Southwest and West, it is important that Congress takes a comprehensive look at the training and resources currently provided to firefighters and first responders in at-risk communities. The focus of the hearing was to bring together leaders from state, local, and Federal levels to assess present capabilities and discuss ways to ensure robust and adaptable fire prevention and response throughout the country.

Witnesses: Jim Hubbard, Deputy Chief, U.S. Forest Service, U.S. Department of Agriculture; William Dougan, National President, National Federation of Federal Employees; Kevin O'Connor, Assistant to the General President for Public Policy, International Association of Firefighters; Hon. Mike Navarre, Mayor, Kenai Peninsula Borough

12. *The Path to Efficiency: Making FEMA More Effective for Streamlined Disaster Operations. July 24, 2014. (S. Hrg. 113–586)*

The focus of the hearing was to offer a systems-level examination of FEMA disaster-related programs. Specifically, the hearing discussed long-standing challenges to FEMA efficiency and performance, FEMA's recent efforts to find cost efficiencies and program improvements, as well as potential opportunities for additional improvements.

Witnesses: Hon. John Roth, Inspector General, U.S. Department of Homeland Security; Joseph Nimmich, Associate Administrator, Office of Response and Recovery, Federal Emergency Management Agency, U.S. Department of Homeland Security; Christopher Currie, Director, Emergency Management and National Preparedness Issues, U.S. Government Accountability Office; Dr. Daniel Sutter, Professor of Economics, Johnson Center for Political Economy, Troy University.

III. LEGISLATION

The following bills were considered by the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia during the 113th Congress:

S. 1819—Emergency Information Improvement Act of 2013—A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide eligibility for public broadcasting facilities to receive certain disaster assistance, and for other purposes.

S. 1396—A bill to authorize the Federal Emergency Management Agency to award mitigation financial assistance in certain areas by wildfire.

IV. GAO REPORTS

The following reports were issued by the Government Accountability Office at the request of the Chairman/Ranking Member of the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia during the 113th Congress:

“Federal Emergency Management Agency: Opportunities Exist to Strengthen Oversight of Administrative Costs for Major Disasters,” GAO–15–65: Published: Dec 17, 2014.

In addition, the Chairman of the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia requested/co-requested the following reports during the 113th Congress which are currently in progress:

Review of the Federal Government's efforts to mitigate earthquake hazard risks; Co-request with Senators Carper and Feinstein.

Review of State budgeting efforts for disaster relief; Co-request with Senators Carper, Coburn, and McCaskill.

Review of FEMA regulations and policies related to Federal recovery and disaster mitigation activities; Co-request with Senators Paul, Reed, Whitehouse, and Congressman Bennie Thompson.

Review of the impact of post-Hurricane Katrina reforms on FEMA and disaster relief programs; Co-request with Senator Coburn, and Congressmen McCaul and Brooks.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

CHAIRMAN: CARL LEVIN

RANKING MINORITY MEMBER: JOHN MCCAIN

The following is the Activities Report of the Permanent Subcommittee on Investigations for the 113th Congress.

I. HISTORICAL BACKGROUND

A. SUBCOMMITTEE JURISDICTION

The Permanent Subcommittee on Investigations was originally authorized by Senate Resolution 189 on January 28, 1948. At its creation in 1948, the Subcommittee was part of the Committee on Expenditures in the Executive Departments. The Subcommittee's records and broad investigative jurisdiction over government operations and national security issues, however, actually antedate its creation, since it was given custody of the jurisdiction of the former Special Committee to Investigate the National Defense Program (the so-called "War Investigating Committee" or "Truman Committee"), chaired by Senator Harry S. Truman during the Second World War and charged with exposing waste, fraud, and abuse in the war effort and war profiteering. Today, the Subcommittee is part of the Committee on Homeland Security and Governmental Affairs.¹

The Subcommittee has had nine chairmen: Senators Homer Ferguson of Michigan (1948), Clyde R. Hoey of North Carolina (1949–1952), Joseph R. McCarthy of Wisconsin (1953–1954), John L. McClellan of Arkansas (1955–1972), Henry M. Jackson of Washington (1973–1978), Sam Nunn of Georgia (1979–1980 and 1987–1994), William V. Roth of Delaware (1981–1986 and 1995–1996), Susan M. Collins of Maine (1997–2001); Norm Coleman of Minnesota (2003–2007); and Carl Levin of Michigan (2001–2002 and 2007–2014).

Until 1957, the Subcommittee's jurisdiction focused principally on waste, inefficiency, impropriety, and illegality in government operations. Its jurisdiction then expanded over time, today encompassing investigations within the broad ambit of the parent committee's responsibility for matters relating to the efficiency and economy of operations of all branches of the government, including matters related to: (a) waste, fraud, abuse, malfeasance, and unethical practices in government contracting and operations; (b) organized criminal activities affecting interstate or international commerce; (c) criminal activity affecting the national health, welfare, or safety, including investment fraud, commodity and securities fraud, computer fraud, and offshore abuses; (d) criminality or improper practices in labor-management relations; (e) the effectiveness of present national security methods, staffing and procedures, and U.S. relationships with international organizations concerned with national security; (f) energy shortages, energy pricing, man-

¹In 1952, the parent committee's name was changed to the Committee on Government Operations. It was changed again in early 1977, to the Committee on Governmental Affairs, and again in 2005, to the Committee on Homeland Security and Governmental Affairs, its present title.

agement of government-owned or controlled energy supplies; and relationships with oil producing and consuming countries; and (g) the operations and management of Federal regulatory policies and programs. While retaining the status of a subcommittee of a standing committee, the Subcommittee has long exercised its authority on an independent basis, selecting its own staff, issuing its own subpoenas, and determining its own investigatory agenda.

The Subcommittee acquired its sweeping jurisdiction in several successive stages. In 1957—based on information developed by the Subcommittee—the Senate passed a Resolution establishing a Select Committee on Improper Activities in the Labor or Management Field. Chaired by Senator McClellan, who also chaired the Subcommittee at that time, the Select Committee was composed of eight Senators—four of whom were drawn from the Subcommittee on Investigations and four from the Committee on Labor and Public Welfare. The Select Committee operated for 3 years, sharing office space, personnel, and other facilities with the Permanent Subcommittee. Upon its expiration in early 1960, the Select Committee's jurisdiction and files were transferred to the Subcommittee on Investigations, greatly enlarging the latter body's investigative authority in the labor-management area.

The Subcommittee's jurisdiction expanded further during the 1960s and 1970s. In 1961, for example, it received authority to make inquiries into matters pertaining to organized crime and, in 1963, held the famous Valachi hearings examining the inner workings of the Italian Mafia. In 1967, following a summer of riots and other civil disturbances, the Senate approved a Resolution directing the Subcommittee to investigate the causes of this disorder and to recommend corrective action. In January 1973, the Subcommittee acquired its national security mandate when it merged with the National Security Subcommittee. With this merger, the Subcommittee's jurisdiction was broadened to include inquiries concerning the adequacy of national security staffing and procedures, relations with international organizations, technology transfer issues, and related matters. In 1974, in reaction to the gasoline shortages precipitated by the Arab-Israeli war of October 1973, the Subcommittee acquired jurisdiction to investigate the control and management of energy resources and supplies as well as energy pricing issues.

In 1997, the full Committee on Governmental Affairs was charged by the Senate to conduct a special examination into illegal or improper activities in connection with Federal election campaigns during the 1996 election cycle. The Permanent Subcommittee provided substantial resources and assistance to this investigation, contributing to a greater public understanding of what happened, to subsequent criminal and civil legal actions taken against wrongdoers, and to enactment of campaign finance reforms in 2001.

In 1998, the Subcommittee marked the fiftieth anniversary of the Truman Committee's conversion into a permanent subcommittee of the U.S. Senate.² Since then, the Subcommittee has developed par-

²This anniversary also marked the first date upon which internal Subcommittee records generally began to become available to the public. Unlike most standing committees of the Senate

ticular expertise in complex financial matters, examining the collapse of Enron Corporation in 2001, the key causes of the 2008 financial crisis, structured finance abuses, financial fraud, unfair credit practices, money laundering, commodity speculation, and a wide range of offshore and tax haven abuses. It has also focused on issues involving health care fraud, foreign corruption, and waste, fraud and abuse in government programs. In the half-century of its existence, the Subcommittee's many successful investigations have made clear to the Senate the importance of retaining a standing investigatory body devoted to keeping government not only efficient and effective, but also honest and accountable.

B. SUBCOMMITTEE INVESTIGATIONS

Armed with its broad jurisdictional mandate, the Subcommittee has conducted investigations into a wide variety of topics of public concern, ranging from financial misconduct, to commodities speculation, predatory lending, and tax evasion. Over the years, the Subcommittee has also conducted investigations into criminal wrongdoing, including money laundering, the narcotics trade, child pornography, labor racketeering, and organized crime activities. In addition, the Subcommittee has investigated a wide range of allegations of waste, fraud, and abuse in government programs and consumer protection issues, addressing problems ranging from unfair credit card practices to health care fraud. In the 113th Congress, the Subcommittee held eight hearings and issued ten reports on a wide range of issues, including bank misconduct, hidden offshore bank accounts, corporate tax avoidance, online advertising abuses, conflicts of interest affecting the stock market, missteps in processing 501(c)(4) applications for tax-exempt status, defense acquisition problems, and inappropriate bank involvement with physical commodities.

(1) Historical Highlights

The Subcommittee's investigatory record as a permanent Senate body began under the Chairmanship of Republican Senator Homer Ferguson and his Chief Counsel (and future Attorney General and Secretary of State) William P. Rogers, as the Subcommittee inherited the Truman Committee's role in investigating fraud and waste in U.S. Government operations. This investigative work became particularly colorful under the chairmanship of Senator Clyde Hoey, a North Carolina Democrat who took the chair from Senator Ferguson after the 1948 elections. The last U.S. Senator to wear a long frock coat and wing-tipped collar, Mr. Hoey was a distinguished southern gentleman of the old school. Under his leadership, the Subcommittee won national attention for its investigation of the so-called "five percenters," notorious Washington lobbyists who charged their clients five percent of the profits from any Federal contracts they obtained on the client's behalf. Given the Subcommittee's jurisdictional inheritance from the Truman Committee,

whose previously unpublished records open after a period of 20 years has elapsed, the Permanent Subcommittee on Investigations, as an investigatory body, may close its records for 50 years to protect personal privacy and the integrity of the investigatory process. With this 50th anniversary, the Subcommittee's earliest records, housed in the Center for Legislative Archives at the National Archives and Records Administration, began to open seriatim. The records of the predecessor committee—the Truman Committee—were opened by Senator Nunn in 1980.

it is perhaps ironic that the “five percenters” investigation raised allegations of bribery and influence-peddling that reached right into the White House and implicated members of President Truman’s staff. In any event, the fledgling Subcommittee was off to a rapid start.

What began as colorful soon became contentious. When Republicans returned to the Majority in the Senate in 1953, Wisconsin’s junior Senator, Joseph R. McCarthy, became the Subcommittee’s Chairman. Two years earlier, as Ranking Minority Member, Senator McCarthy had arranged for another Republican Senator, Margaret Chase Smith of Maine, to be removed from the Subcommittee. Senator Smith’s offense, in Senator McCarthy’s eyes, was her issuance of a “Declaration of Conscience” repudiating those who made unfounded charges and used character assassination against their political opponents. Although Senator Smith had carefully declined to name any specific offender, her remarks were universally recognized as criticism of Senator McCarthy’s accusations that communists had infiltrated the State Department and other government agencies. Senator McCarthy retaliated by engineering Senator Smith’s removal, replacing her with the newly-elected Senator from California, Richard Nixon.

Upon becoming Subcommittee Chairman, Senator McCarthy staged a series of highly publicized anti-communist investigations, culminating in an inquiry into communism within the U.S. Army, which became known as the Army-McCarthy hearings. During the latter portion of those hearings, in which the parent Committee examined the Wisconsin Senator’s attacks on the Army, Senator McCarthy recused himself, leaving South Dakota Senator Karl Mundt to serve as Acting Chairman of the Subcommittee. Gavel-to-gavel television coverage of the hearings helped turn the tide against Senator McCarthy by raising public concern about his treatment of witnesses and cavalier use of evidence. In December 1954, the Senate censured Senator McCarthy for unbecoming conduct. In the following year, the Subcommittee adopted new rules of procedure that better protected the rights of witnesses. The Subcommittee also strengthened the rules ensuring the right of both parties on the Subcommittee to appoint staff, initiate and approve investigations, and review all information in the Subcommittee’s possession.

In 1955, Senator John McClellan of Arkansas began 18 years of service as Chairman of the Permanent Subcommittee on Investigations. Senator McClellan appointed a young Robert F. Kennedy as the Subcommittee’s Chief Counsel. That same year, Members of the Subcommittee were joined by Members of the Senate Labor and Public Welfare Committee on a special committee to investigate labor racketeering. Chaired by Senator McClellan and staffed by Robert Kennedy and other Subcommittee staff members, this special committee directed much of its attention to criminal influence over the Teamsters Union, most famously calling Teamsters’ leaders Dave Beck and Jimmy Hoffa to testify. The televised hearings of the special committee also introduced Senators Barry Goldwater and John F. Kennedy to the nation, as well as leading to passage of the Landrum-Griffin Labor Act.

After the special committee completed its work, the Permanent Subcommittee on Investigations continued to investigate organized crime. In 1962, the Subcommittee held hearings during which Joseph Valachi outlined the activities of *La Cosa Nostra*, or the Mafia. Former Subcommittee staffer Robert Kennedy—who had by then become Attorney General in his brother’s Administration—used this information to prosecute prominent mob leaders and their accomplices. The Subcommittee’s investigations also led to passage of major legislation against organized crime, most notably the Racketeer Influenced and Corrupt Organizations (RICO) provisions of the Crime Control Act of 1970. Under Chairman McClellan, the Subcommittee also investigated fraud in the purchase of military uniforms, corruption in the Department of Agriculture’s grain storage program, securities fraud, and civil disorders and acts of terrorism. In addition, from 1962 to 1970, the Subcommittee conducted an extensive probe of political interference in the awarding of government contracts for the Pentagon’s ill-fated TFX (“tactical fighter, experimental”) aircraft. In 1968, the Subcommittee also examined charges of corruption in U.S. servicemen’s clubs in Vietnam and elsewhere around the world.

In 1973, Senator Henry “Scoop” Jackson, a Democrat from Washington, replaced Senator McClellan as the Subcommittee’s Chairman. During his tenure, recalled Chief Clerk Ruth Young Watt—who served in this position from the Subcommittee’s founding until her retirement in 1979—Ranking Minority Member Charles Percy, an Illinois Republican, became more active on the Subcommittee than Chairman Jackson, who was often distracted by his Chairmanship of the Interior Committee and his active role on the Armed Services Committee.³ Senator Percy also worked closely with Georgia Democrat Sam Nunn, a Subcommittee member who subsequently succeeded Senator Jackson as Subcommittee Chairman in 1979. As Chairman, Senator Nunn continued the Subcommittee’s investigations into the role of organized crime in labor-management relations and also investigated pension fraud.

Regular reversals of political fortunes in the Senate during the 1980s and 1990s saw Senator Nunn trade the chairmanship three times with Delaware Republican William Roth. Senator Nunn served from 1979 to 1980 and again from 1987 to 1995, while Senator Roth served from 1981 to 1986, and again from 1995 to 1996. These 15 years saw a strengthening of the Subcommittee’s bipartisan tradition in which investigations were initiated by either the Majority or Minority and fully supported by the entire Subcommittee. For his part, Senator Roth led a wide range of investigations into commodity investment fraud, offshore banking schemes, money laundering, and child pornography. Senator Nunn led inquiries into Federal drug policy, the global spread of chemical and biological weapons, abuses in Federal student aid programs, computer security, airline safety, and health care fraud. Senator Nunn also appointed the Subcommittee’s first female counsel, Elea-

³ It had not been uncommon in the Subcommittee’s history for the Chairman and Ranking Minority Member to work together closely despite partisan differences, but Senator Percy was unusually active while in the Minority—a role that included his chairing an investigation of the hearing aid industry.

nore Hill, who served as Chief Counsel to the Minority from 1982 to 1986 and then as Chief Counsel from 1987 to 1995.

Strong bipartisan traditions continued in the 105th Congress when, in January 1997, Republican Senator Susan Collins of Maine became the first woman to chair the Permanent Subcommittee on Investigations. Senator John Glenn of Ohio became the Ranking Minority Member, while also serving as Ranking Minority Member of the full Committee. Two years later, in the 106th Congress, after Senator Glenn's retirement, Michigan Democrat Carl Levin succeeded him as the Subcommittee's Ranking Minority Member. During Senator Collins' chairmanship, the Subcommittee conducted investigations into issues affecting Americans in their day-to-day lives, including mortgage fraud, deceptive mailings and sweepstakes promotions, phony credentials obtained through the Internet, day trading of securities, and securities fraud on the Internet. Senator Levin initiated an investigation into money laundering. At his request, in 1999, the Subcommittee held hearings on money laundering issues affecting private banking services provided to wealthy individuals, and, in 2001, on how major U.S. banks providing correspondent accounts to offshore banks were being used to advance money laundering and other criminal schemes.

During the 107th Congress, both Senator Collins and Senator Levin chaired the Subcommittee. Senator Collins was chairman until June 2001, when the Senate Majority party changed hands; at that point, Senator Levin assumed the chairmanship and Senator Collins, in turn, became the Ranking Minority Member. In her first six months chairing the Subcommittee at the start of the 107th Congress, Senator Collins held hearings examining issues related to cross border fraud, the improper operation of tissue banks, and Federal programs designed to fight diabetes. When Senator Levin assumed the chairmanship, as his first major effort, the Subcommittee initiated an 18-month bipartisan investigation into the Enron Corporation, which had collapsed into bankruptcy. As part of that investigation, the Subcommittee reviewed over 2 million pages of documents, conducted more than 100 interviews, held four hearings, and issued three bipartisan reports focusing on the role played by Enron's Board of Directors, Enron's use of tax shelters and structured financial instruments, and how major U.S. financial institutions contributed to Enron's accounting deceptions, corporate abuses, and ultimate collapse. The Subcommittee's investigative work contributed to passage of the Sarbanes-Oxley Act which enacted accounting and corporate reforms in July 2002. In addition, Senator Levin continued the money laundering investigation initiated while he was the Ranking Minority Member, and the Subcommittee's work contributed to enactment of major reforms strengthening U.S. anti-money laundering laws in the 2001 Patriot Act. Also during the 107th Congress, the Subcommittee opened new investigations into offshore tax abuses, border security, and abusive practices related to the pricing of gasoline and other fuels.

In January 2003, at the start of the 108th Congress, after the Senate Majority party again changed hands, Senator Collins was elevated to Chairman of the full Committee on Governmental Affairs, and Republican Senator Norm Coleman of Minnesota became Chairman of the Subcommittee. Over the next two years, Senator

Coleman held hearings on topics of national and global concern including illegal file sharing on peer-to-peer networks, abusive practices in the credit counseling industry, the dangers of purchasing pharmaceuticals over the Internet, SARS preparedness, border security, and how Saddam Hussein abused the United Nations Oil for Food Program. At the request of Senator Levin, then Ranking Minority Member, the Subcommittee also examined how some U.S. accounting firms, banks, investment firms, and tax lawyers were designing, promoting, and implementing abusive tax shelters across the country; and how some U.S. financial institutions were failing to comply with anti-money laundering controls mandated by the Patriot Act, using as a case history Riggs Bank accounts involving Augusto Pinochet, the former President of Chile, and Equatorial Guinea, an oil-rich country in Africa.

During the 109th Congress, Senator Coleman held additional hearings on abuses associated with the United Nation's Oil for Food Program, and initiated a series of hearings on Federal contractors who were paid with taxpayer dollars but failed to meet their own tax obligations, resulting in billions of dollars in unpaid taxes. He also held hearings on border security issues, securing the global supply chain, Federal travel abuses, abusive tax refund loans, and unfair energy pricing. At Senator Levin's request, the Subcommittee held hearings on offshore tax abuses responsible for \$100 billion in unpaid taxes each year, and on U.S. vulnerabilities caused by states forming 2 million companies each year with hidden owners.

(2) More Recent Investigations

During the 110th Congress, in January 2007, after the Senate majority shifted, Senator Levin once again became Subcommittee Chairman, while Senator Coleman became the Ranking Minority Member. Senator Levin chaired the Subcommittee for the next seven years. He focused the Subcommittee on investigations into complex financial and tax matters, including unfair credit card practices, executive stock option abuses, excessive speculation in the natural gas and crude oil markets, and offshore tax abuses involving tax haven banks and non-U.S. persons dodging payment of U.S. taxes on U.S. stock dividends. The Subcommittee's work contributed to enactment of two landmark bills, the Credit Card Accountability Responsibility and Disclosure Act (Credit CARD Act) which reformed credit card practices, and the Foreign Account Tax Compliance Act (FATCA) which tackled the problem of hidden offshore bank accounts used by U.S. persons to dodge U.S. taxes. At the request of Senator Coleman, the Subcommittee also conducted bipartisan investigations into Medicare and Medicaid health care providers who cheat on their taxes, fraudulent Medicare claims involving deceased doctors or inappropriate diagnosis codes, U.S. dirty bomb vulnerabilities, Federal payroll tax abuses, abusive practices involving transit benefits, and problems involving the United Nations Development Program.

During the 111th Congress, Senator Levin continued as Subcommittee Chairman, while Senator Tom Coburn joined the Subcommittee as its Ranking Minority Member. During the 111th Congress, the Subcommittee dedicated much of its resources to a bipartisan investigation into key causes of the 2008 financial crisis, look-

ing in particular at the role of high risk home loans, regulatory failures, inflated credit ratings, and high-risk, conflicts-ridden financial products designed and sold by investment banks. The Subcommittee held four hearings and released thousands of documents. The Subcommittee's work contributed to passage of another landmark financial reform bill, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. In addition, the Subcommittee held hearings on excessive speculation in the wheat market, tax haven banks that helped U.S. clients evade U.S. taxes, how to keep foreign corruption out of the United States, and social security disability fraud.

During the 112th Congress, Senator Levin and Senator Coburn continued in their respective roles as Chairman and Ranking Minority Member of the Subcommittee. In a series of bipartisan investigations, the Subcommittee examined how a global banking giant, HSBC, exposed the U.S. financial system to an array of money laundering, drug trafficking, and terrorist financing risks due to poor anti-money laundering controls; how two U.S. multinational corporations engaged in offshore tax abuses, including how Microsoft shifted profits offshore to dodge U.S. taxes, and Hewlett Packard secretly brought offshore funds back home without paying taxes by utilizing abusive short term loan schemes; and how excessive commodity speculation by mutual funds and others were taking place without Dodd-Frank safeguards such as position limits being put into effect. At the request of Senator Coburn, the Subcommittee also conducted bipartisan investigations into problems with Social Security disability determinations that, due to poor procedures, perfunctory hearings, and poor quality decisions, resulted in over 1 in 5 disability cases containing errors or inadequate justifications; how DHS state and local intelligence fusion centers failed to yield significant, useful information to support Federal counterterrorism efforts; and how certain Federal contractors that received taxpayer dollars through stimulus funding nevertheless failed to pay their Federal taxes.

During the 113th Congress, Senator Levin continued as Chairman, while Senator John McCain joined the Subcommittee as its Ranking Minority Member. They continued to strengthen the Subcommittee's strong bipartisan traditions, conducting all investigations in a bipartisan manner. During the 113th Congress, the Subcommittee held eight hearings and released ten reports on a variety of investigations. The investigations examined high risk credit derivatives trades at JPMorgan; hidden offshore accounts opened for U.S. clients by Credit Suisse in Switzerland; corporate tax avoidance in case studies involving Apple, Caterpillar, and a structured financial product known as basket options; online advertising abuses; conflicts of interest affecting the stock market and high speed trading; IRS processing of 501(c)(4) applications; defense acquisition reforms; and bank involvement with physical commodities. At the end of the 113th Congress, Senator Levin retired from the Senate.

II. SUBCOMMITTEE HEARINGS DURING THE 113TH CONGRESS

A. *JPMorgan Chase Whale Trades: A Case History of Derivatives Risks & Abuse (March 13, 2013)*

The Subcommittee's first hearing in the 113th Congress focused on high risk credit derivative trades which were undertaken by JPMorgan Chase out of its London office and which were responsible for losses totaling more than \$6.2 billion. The trades used funds supplied by JPMorgan's Chief Investment Office (CIO), including federally insured deposits from the bank. The trades were conducted by a JPMorgan London trader whose transactions were so large that they triggered speculation over who was behind the "whale" trades and whose identity was unmasked by the media.

The Subcommittee investigation determined that, over the course of the first quarter of 2012, the CIO used a "Synthetic Credit Portfolio" to knowingly engage in high stakes derivatives trading involving a mix of complex credit derivatives. The investigation found that JPMorgan mismarked its trading book to hide increasing portfolio losses; disregarded multiple indicators of increasing risk; breached five different risk limits; manipulated risk models to eliminate or prevent those breaches; dodged regulatory oversight; and misinformed investors, regulators, and the public about what happened. The investigation exposed not only high risk activities and abuses at JPMorgan Chase, but also broader, systemic problems related to the valuation, risk analysis, disclosure, and oversight of synthetic credit derivatives. The evidence also disproved the assertion that credit derivatives inherently lower financial risk.

In March 2013, the Subcommittee released a bipartisan report and held a hearing detailing the JPMorgan Chase whale trades. The first panel of witnesses consisted of three senior JPMorgan Chase Bank officers, Ina Drew, former head of the CIO; Ashley Bacon, acting Chief Risk Officer; and Peter Weiland, former head of Market Risk for the CIO. They discussed the nature of the whale trades, risk management practices, and how the bank handled the increasing losses. The second panel of witnesses presented testimony from Michael J. Cavanagh, who headed a JPMorgan task force reviewing the CIO losses and also served as co-head of JPMorgan Chase's corporate and investment bank; and Douglas Braunstein, former JPMorgan Chief Financial Officer and then Vice Chairman of the Board of Directors. They discussed bank oversight of the whale trades, JPMorgan's interaction with regulators, and information provided by the bank to the public and investors. The third panel included Thomas Curry, Comptroller of the Currency and primary regulator of JPMorgan Chase Bank; Scott Waterhouse, Federal Examiner-in-Charge at JPMorgan Chase Bank; and Michael Sullivan, Deputy Comptroller for Risk Analysis at the Office of the Comptroller of the Currency (OCC). They discussed JPMorgan's failure to disclose the existence of the Synthetic Credit Portfolio, the bank's lack of cooperation with regulators, and the regulators' failure to detect the high risk portfolio as well as systemic problems with derivative valuation and risk management.

JPMorgan later paid civil fines totaling \$1 billion for misstating its financial results, engaging in unsafe and unsound banking practices, and manipulating the credit market. Two of its traders were

indicted for hiding losses, but have resisted standing trial. The London whale trading abuses resulted in stronger implementing regulations for the Volcker Rule to prevent federally insured banks and their subsidiaries from engaging in proprietary trading disguised as risk-reducing hedges. Federal regulators also clarified that banks may not change their derivative valuation methodologies to hide losses, and that U.S. derivatives requirements apply to a U.S. bank's foreign branches as well as its domestic branches. U.S. and international regulatory bodies also reviewed issues related to the manipulation of bank risk models for derivatives activities.

B. Offshore Profit Shifting and the U.S. Tax Code—Part 2 (Apple, Inc.) (May 21, 2013)

The Subcommittee's second hearing was the latest in a Subcommittee series on corporate offshore profit shifting, and focused on a case study involving a leading U.S. multinational corporation, Apple Inc. For the last decade, the Subcommittee has examined how multinational corporations and wealthy individuals use offshore tax schemes to dodge U.S. taxes, leaving other taxpayers to make up the difference. According to the Congressional Research Service, the share of corporate income taxes in the United States has fallen from a high of 32 percent of Federal tax revenue in 1952, to less than 10 percent in 2012. Meanwhile, payroll taxes—which almost every working American must pay—have increased from 10 percent of Federal revenue to 35 percent.

In May 2013, the Subcommittee investigation released a bipartisan memorandum and held a hearing showing how Apple Inc. established three Irish subsidiaries with no tax residency anywhere, ran those subsidiaries from the United States, and shifted more than \$74 billion in profits over four years to Ireland while dodging payment of U.S. taxes. The Irish subsidiaries, Apple Operations International, Apple Sales International, and Apple Operations Europe, were controlled by the U.S. parent company, Apple Inc. Since Ireland bases tax jurisdiction over companies that are managed and controlled in Ireland, and the United States bases tax residency on where a company is incorporated, Apple exploited the gap between the two, and its subsidiaries failed to file an income tax return in either country, or any other country, for at least five years. One did pay taxes in Ireland on a tiny fraction of its income, resulting, for example, in an effective 2011 Irish tax rate of only five hundredths of one percent. The hearing also showed that, in addition to creating non-tax resident foreign affiliates, Apple Inc. utilized U.S. tax loopholes to avoid U.S. taxes on \$44 billion in otherwise taxable offshore income over four years.

The hearing heard from three panels of witnesses. The first panel consisted of two international corporate tax experts, Stephen E. Shay, former head of international tax policy at the U.S. Department of the Treasury and professor at Harvard Law School; and J. Richard Harvey, professor of law at Villanova University School of Law. Both criticized actions taken by Apple to avoid U.S. corporate taxes. The second panel presented testimony from three senior Apple executives, Timothy D. Cook, the CEO; Peter Oppenheimer, the Chief Financial Officer; and Phillip A. Bullock, the head of Tax

Operations. All three defended Apple's actions, but admitted the company had formed three Irish subsidiaries with no tax residency anywhere. The third panel consisted of Mark J. Mazur, Treasury Assistant Secretary for Tax Policy, and Samuel M. Maruca, Director of Transfer Pricing Operations in the Large Business & International Division at the Internal Revenue Service. While neither would comment on the Apple case in particular, both expressed concerns about corporate tax loopholes that enabled U.S. companies to avoid payment of U.S. taxes.

The bipartisan memorandum released by the Subcommittee offered recommendations to strengthen U.S. transfer pricing rules and reform the so-called "check-the-box" and "look-through" loopholes that enable multinationals to shield offshore income from U.S. taxes. As a result of this and other examples of multinational corporate tax abuse, in 2013, G8 world leaders called for an end to offshore corporate profit shifting and initiated international efforts to stop multinational corporate tax avoidance. G8 leaders also reached consensus on the need for an international template for multinational corporations to disclose their tax payments on a country-by-country basis. In addition, Ireland changed its law to prevent multinational corporations from establishing Irish subsidiaries with no tax residency in any country.

C. Offshore Tax Evasion: The Effort to Collect Unpaid Taxes on Billions In Hidden Offshore Accounts (February 26, 2014)

The Subcommittee's next hearing built upon two earlier hearings, held by the Subcommittee in 2008 and 2009, showing how well-known international banks, located in secrecy jurisdictions and tax havens, were deliberately helping U.S. clients cheat on their taxes by opening offshore accounts never reported to the Internal Revenue Service (IRS), despite U.S. laws requiring their disclosure. The earlier hearings focused, in part, on UBS, Switzerland's largest bank, which made a dramatic admission at the 2008 hearing that it had facilitated tax evasion by opening undisclosed Swiss accounts for U.S. clients. After the hearing, in 2009, UBS signed a deferred prosecution agreement with the U.S. Department of Justice (DOJ) on charges of conspiring to defraud the United States by impeding U.S. tax collection, paid a \$780 million fine, disclosed the names of some U.S. clients with hidden Swiss accounts, and agreed to no longer provide U.S. clients with undeclared Swiss accounts.

In February 2014, the Subcommittee released a bipartisan report and held a hearing on how Credit Suisse, Switzerland's second largest bank, engaged in similar conduct and delayed closing Swiss accounts for some U.S. clients for up to five years. The Subcommittee investigation disclosed that, at its peak, Credit Suisse had over 22,000 U.S. customers with Swiss accounts containing more than 12 billion Swiss francs, which translated into \$10 to \$12 billion U.S. dollars. Nearly 1,500 of those accounts were opened in the names of offshore shell companies to hide U.S. ownership. Another nearly 2,000 were opened at Clariden Leu, Credit Suisse's own private bank. Almost 10,000 were serviced by a special Credit Suisse branch at the Zurich airport which enabled clients to fly in to do their banking without leaving airport grounds. One client dis-

closed that, at Credit Suisse headquarters in Zurich, he was ushered into a remotely controlled elevator with no floor buttons, and escorted into a bare room with white walls to conduct his banking transactions, all dramatizing the bank's focus on secrecy.

In addition to disclosing Credit Suisse's actions, the investigation criticized DOJ for failing to use U.S. legal tools, such as grand jury subpoenas and John Doe summonses, to obtain the names of U.S. tax evaders with hidden Credit Suisse accounts, choosing instead to file Swiss treaty requests with little success. The investigation noted that, over a five-year period, due to Swiss secrecy laws, DOJ had obtained information, including U.S. client names, for only 238 undeclared Swiss accounts out of the tens of thousands that Credit Suisse opened. The hearing criticized DOJ for its slow enforcement efforts to collect unpaid taxes on funds held offshore, and hold accountable the tax evaders, banks, and bankers involved.

The hearing heard from two panels of witnesses. The first consisted of senior officers from Credit Suisse, including Brady Dougan, the CEO; Romeo Cerutti, the General Counsel; and Hans-Ulrich Meiser and Robert Shafir, co-heads of the Private Banking and Wealth Management division. While the officers admitted that the bank had moved too slowly to close the hidden Swiss accounts, they also asserted that the misconduct was the result of rogue bankers rather than bank policy. The second panel of witnesses consisted of James M. Cole, Deputy Attorney General at DOJ, and Kathryn M. Keneally, Assistant Attorney General for the Tax Division. Both defended DOJ's use of Swiss treaty requests instead of U.S. discovery tools to obtain accountholder names, DOJ's failure to request the extradition of any of the seven Credit Suisse bankers indicted in 2011 for facilitating tax evasion, and DOJ's failure to obtain the names of thousands of U.S. tax evaders with hidden Credit Suisse accounts.

After the hearing, Credit Suisse entered a guilty plea to DOJ charges of aiding and abetting U.S. tax evasion, and paid a \$2.6 billion penalty, including \$1.8 billion to DOJ, \$100 million to the Federal Reserve, and \$715 million to the New York State Department of Financial Services. Credit Suisse also paid a \$196 million fine to the U.S. Securities and Exchange Commission for providing broker-dealer and investment advisory services to U.S. clients without first registering with the agency. In addition, in July 2014, the Foreign Account Tax Compliance Act (FATCA), inspired in part by Subcommittee hearings on secret offshore accounts, took effect and made it more difficult to conceal offshore accounts opened for U.S. clients in the future.

D. Caterpillar's Offshore Tax Strategy (April 1, 2014)

The Subcommittee's next hearing was another in its series of hearings on corporate offshore profit shifting, this time focused on a case study involving Caterpillar Inc., an American manufacturer of heavy equipment. As explained earlier, for the last decade, the Subcommittee has examined how multinational corporations and wealthy individuals have been using offshore tax schemes to dodge U.S. taxes, leaving other taxpayers to make up the difference.

In April 2014, the Subcommittee held a hearing and issued a majority staff report examining how Caterpillar Inc. shifted \$8 billion

in profits from its foreign parts business—a business run primarily from the United States—to a Swiss affiliate to avoid paying \$2.4 billion in U.S. taxes to date. The case history showed that, in 1999, Caterpillar paid its accountant, PriceWaterhouseCoopers (PWC), over \$55 million to develop and implement the offshore tax strategy. The strategy called for Caterpillar Inc. to issue a license to one of its Swiss affiliates, Caterpillar SARL, to sell Caterpillar parts worldwide. The parts license changed almost nothing in the actual functioning of Caterpillar’s parts business. Its Swiss affiliate lacked the personnel, infrastructure, and expertise to actually run the worldwide parts operation and instead simply paid Caterpillar Inc. to continue running the business. The Swiss affiliate also paid Caterpillar Inc. a “royalty payment” equal to about 15 percent of the parts profits, while attributing the remaining profits to Switzerland. The result was that Caterpillar switched from reporting 85 percent or more of its foreign parts profits on its U.S. tax return to reporting 85 percent of more of those same profits on its Swiss tax return, subject to at a negotiated effective Swiss tax rate of 4 percent to 6 percent. PWC, in its role as independent accountant for the company, approved Caterpillar’s use of the offshore tax strategy, essentially auditing the very tax strategy it had developed and sold to the company.

Although Caterpillar had spent 90 years working to build up its international parts business, Caterpillar gave its Swiss affiliate the license to sell its parts worldwide without requiring any compensation for developing the business. In an arm’s length transaction, no company would turn over a profitable business that took decades to develop without receiving compensation. Nor would a business relinquish 85 percent of the ongoing profits from that business in exchange for 15 percent of the profits. But that was the arrangement Caterpillar entered into with its affiliate. The result was that, from 2000 to 2012, the Swiss tax strategy shifted \$8 billion in profits from Caterpillar Inc. to its Swiss affiliate, cutting Caterpillar’s U.S. tax bill by \$2.4 billion. Caterpillar’s actions provided additional evidence of the need to close unjustified U.S. corporate tax loopholes that enable profitable corporations to avoid paying U.S. taxes.

The hearing heard from three panels of witnesses. The first panel consisted of two international corporate tax experts, Reuven S. Avi-Yonah, the Irwin I. Cohn Professor Law at the University of Michigan School of Law, and Bret Wells, Assistant Professor of Law at the University of Houston Law Center. Both criticized Caterpillar’s offshore tax strategy as an improper attempt to avoid U.S. corporate taxes. The second panel of witnesses presented testimony from three PWC accountants who helped develop and implement Caterpillar’s Swiss tax strategy, Thomas F. Quinn, TWC tax partner; Steven R. Williams, PWC managing director; and James G. Bowers, PWC tax partner. All three defended the company’s use of the PWC-developed tax strategy and denied that PWC had a conflict of interest in developing, selling, auditing, and approving use of that tax strategy. The third panel consisted of three senior Caterpillar officers, Robin D. Beran, Chief Tax Officer; Rodney Perkins, former Senior International Tax Manager; and Julie A. Lagacy, Vice President from the Finance Services Division. All

three defended Caterpillar's use of its offshore tax strategy and shifting its parts profits from the United States to Switzerland.

Caterpillar's actions, as well as other examples of multinational corporate tax abuse, contributed to G8 world leaders, in 2013, calling for an end to offshore profit shifting and initiating international efforts to stop multinational corporate tax avoidance. G8 leaders also reached consensus on the need for an international template for multinational corporations to disclose their tax payments on a country-by-country basis. In addition, the Public Company Accounting Oversight Board initiated a review of the propriety of an independent accounting firm auditing an offshore tax strategy that the firm sold to its client.

E. Online Advertising and Hidden Hazards to Consumer Security and Data Privacy (May 15, 2014)

The Subcommittee's next hearing addressed a new investigative topic initiated by Ranking Member John McCain related to data privacy. In May 2014, the Subcommittee held a hearing and released a bipartisan report examining how current online advertising practices expose online consumers to hidden hazards, including data breaches, malware attacks, and other cybercrimes.

In 2013, U.S. online advertising revenues for the first time surpassed that of broadcast television advertising as companies spent \$42.8 billion to reach consumers. The hearing examined the enormous complexity of the online advertising ecosystem, including the many parties involved in delivering a single ad. The investigation showed that a simple display of an online advertisement can trigger consumer interactions with a chain of other companies, many of which are unknown to the consumer and each of which could compromise the consumer's privacy or become a source of vulnerability for cybercriminals. In one instance, for example, the investigation found that visiting a popular tabloid news website triggered a user interaction with some 352 other web servers as well. On radio or television, the content of an advertisement is generally transmitted by the same party that hosts the rest of the content on the station. In contrast, host websites commonly sell ad space on their sites through an intermediary company, most often associated with a well-known tech company. The intermediary—often referred to as an ad network or exchange—typically directs an internet user's browser to display an advertisement from a server controlled by neither the ad network nor the original host website. The investigation disclosed that host websites often do not select and cannot predict which intermediary advertising networks will deliver advertisements to consumers visiting their sites, exposing consumers to unmanaged risks. Today, most ad networks also have limited control over the content of the advertisements whose placements they facilitate.

The growth of online advertising has also brought with it a rise in cybercriminals attempting to use mainstream websites to infect consumers' computers with advertisement-based malware or "malvertising." Some estimates indicate that malvertising increased over 200 percent in 2013, to over 209,000 incidents generating over 12.4 billion malicious ad impressions. A recent study found that more than half of internet website publishers have suf-

ferred a malware attack through a malicious advertisement. The report detailed examples in which consumers were subjected to malicious software delivered through the online advertising network. The complexity and many vulnerabilities of the online advertising ecosystem also made it difficult for individual industry participants to adopt effective long-term security countermeasures. The investigation disclosed that host websites often operate under voluntary compliance regimes or contractual arrangements that are ineffective, unreliable, or poorly enforced. In addition, as the online advertising industry grows more complex, it is also becoming more difficult to ascertain responsibility when consumers are hurt by malicious advertising or data collection. Moreover, there is currently no standard reporting requirement that informs the public when an ad network is compromised by malware or cybercriminals. The lack of accountability and disclosure requirements in online advertising may lead to lax security regimes, creating serious vulnerabilities for Internet users. The investigation determined that the Federal Trade Commission also needs tools to protect consumers from online advertising abuses.

The hearing heard from two panels of witnesses. The first panel consisted of three individuals with industry experience in online advertising problems and data privacy threats. They included Alex Stamos, Chief Information Security Officer for Yahoo! Inc.; George F. Salem, Senior Product Manager for Google Inc., and Craig Spiegle, Executive Director, founder and President of Online Trust Alliance. All three discussed instances of malicious online advertising and what is being done and can be done by the private sector to protect online consumers. The second panel heard from Maneesha Mithal, Federal Trade Commission Associate Director for the Division of Privacy and Identity Protection; and Lou Mastria, Managing Director of the Digital Advertising Alliance. Both discussed the development of standards and procedures to protect online consumers from malicious online advertising and the need for stronger FTC tools to combat online advertising abuses.

F. Conflicts of Interest, Investor Loss of Confidence, and High Speed Trading in U.S. Stock Markets (June 17, 2014)

The Subcommittee's next hearing focused on conflicts of interest affecting how stock brokers place trading orders in U.S. stock markets, including for high speed traders. The conflicts arise from millions of dollars in opaque payments made to brokers in order to attract client orders, including "payments for order flow" made by wholesale brokers to retail brokers, and so-called "maker-taker" rebates and fees paid by trading venues to broker dealers, both of which created incentives for brokers to put their financial interests before those of their clients, fueling public distrust of U.S. stock markets.

The June 2014 hearing examined both conflicts of interest affecting broker placement of trading orders. The first conflict, involving payment for order flow, arose when a retail broker chose a wholesale broker to execute client trades and accepted payment from that wholesale broker for placing those orders. One reason wholesale brokers pay for order flow is to enable the wholesale broker to fill the orders out of its own inventory and profit from the

trades. The Subcommittee investigation determined that payments from wholesale to retail brokers can add up to millions of dollars, yet were rarely disclosed or passed on to retail customers. The second conflict of interest, involving maker-taker rebates and fees, arose when a broker decided to place client orders on a trading venue rather than with a wholesale broker, and chose the venue based upon the broker's financial interest, rather than on best execution for its clients. Under the maker-taker system, when a broker makes an offer on a venue to buy or sell a stock at a certain price, the broker is generally classified as a "maker," and most trading venues will pay the broker a rebate when that offer is accepted. A broker who accepts a maker's offer to buy or sell is called a "taker," and will generally pay a fee to the trading venue. The investigation found that, by routing customer orders in a manner that maximizes maker rebates and avoids taker fees, a broker dealer can add millions of dollars to its bottom line, creating a powerful incentive for the broker dealer to send client orders to the trading venues that are in the broker's best interest even if they are not in the clients' best interest. The investigation also found that the extent of those payments were largely undisclosed by broker dealers. In addition, the investigation found that the market complexity and fragmentation caused by the maker-taker system could be exploited by high frequency traders.

The hearing heard from two panels of witnesses. The first panel included Bradley Katsuyama, President and CEO of IEX exchange, who discussed the conflicts of interest affecting U.S. stock markets and advocated action to address them. In addition, Robert H. Battalio, Professor of Finance at the Mendoza College of Business at the University of Notre Dame, discussed research he had conducted indicating that when given a choice, four leading retail brokers sent their orders to the trading venues offering the biggest maker rebates, even when those venues did not offer the best execution for clients. The second panel heard from four senior industry officials with differing views on the nature of the conflicts of interest and what should be done about them. They included Thomas W. Farley, President of the New York Stock Exchange, which described the conflicts as having a "corrosive impact" on stock markets; Joseph P. Ratterman, CEO of BATS Global Markets, which did not view the conflicts as creating substantial problems; Joseph P. Brennan, Global Equity Index head at the Vanguard Group, a major mutual fund company that has expressed concerns about the broker conflicts of interest; and Steven Quirk, Senior Vice President of the Trader Group at TD Ameritrade, a retail broker that derived significant revenues from payments for order flow and maker rebates.

After the hearing, the Financial Industry Regulatory Authority launched a probe into how retail brokers route customer orders. The inquiry seeks to determine, among other things, how brokers determine where to route orders so that customers receive the best price possible under prevailing market conditions. The Securities and Exchange Commission also told the Subcommittee that it would consider issuing a rule to enhance order routing disclosures.

G. Abuse of Structured Financial Products: Misusing Basket Options to Avoid Taxes and Leverage Limits (July 22, 2014)

The Subcommittee's next hearing addressed a capital gains tax scheme involving hedge funds avoiding the payment of billions of dollars in Federal taxes. It exposed how, from 1999 through 2013, two global banks used a structured financial product known as a basket option to help more than a dozen hedge funds dodge limits on trading with borrowed money, earn huge trading profits, and then claim that those profits qualified for the lower long-term capital gains tax rate, even for trades that lasted seconds. One hedge fund, Renaissance Technology Corp. (RenTec), used this scheme to avoid paying taxes estimated at more than \$6 billion.

In July 2014, the Subcommittee held a hearing and issued a bipartisan report detailing the misuse of basket options to avoid U.S. taxes. The two banks, Deutsche Bank and Barclays Bank, sold 199 basket options to hedge funds that used them to make over \$100 billion in trades, including 79 involving RenTec, the largest participant. To produce the tax savings, each bank opened a designated account in its own name, appointed the hedge fund as the "investment advisor" for the account, authorized the investment advisor to buy and sell securities for the account, and then gave the hedge fund an "option" on the account with a payoff equal to any profits generated by the "basket" of securities in the account. The hedge fund put up 10 percent of the cash needed to buy the securities, while the bank lent the other 90 percent. The hedge fund made all the trading decisions and reaped all the trading profits, while in effect holding an "option" on its own trading efforts. RenTec estimated that it used the basket option accounts to make 100,000—150,000 trades per day or approximately 30 million trades per year per bank.

The key to the tax savings was the claim that basket options exercised after one year produced trading profits that qualified for the reduced long-term capital gains tax rate, even if the underlying trades had lasted seconds or were executed the day before the option was exercised. The lower long-term capital gains tax rate is intended to provide an incentive for investors to risk capital on long-term investments that grow the economy and create jobs; the high-volume trading that, for example, RenTec conducted through its basket options did not meet that test.

In addition, the banks used the basket options to enable the hedge funds to trade stocks using borrowed money, in excess of regulatory limits. The 1929 stock market crash harmed the U.S. economy, not just by the collapse of thousands of stock speculators, but also by the failure of thousands of banks that had lent them money and couldn't collect on the loans. In response, Congress enacted limits on the use of borrowed money to trade securities. Had the hedge funds used normal brokerage accounts, they would have been subject to the 2-to-1 Federal leverage limit; instead the banks used basket options to provide the hedge funds with leverage of up to 20-to-1, by treating the funds deposited into the option accounts as deposits of their own money rather than as loans, despite charging the hedge funds financing fees for use of the funds. The end result was that the hedge funds, facilitated by the banks, claimed billions of dollars in unjustified tax savings while avoiding leverage

limits that protect the U.S. financial system from systemic risks caused by stock speculation fueled by borrowed funds.

As part of its investigation, the Subcommittee commissioned and released, along with other Senators, a Government Accountability Office (GAO) report disclosing that the Internal Revenue Service (IRS) audits less than 1 percent of large partnerships per year, including partnerships that function as hedge funds. GAO found that, in 2012, just 0.8 percent of large partnerships, defined as having \$100 million or more in assets and 100 or more direct and indirect partners, underwent an IRS audit versus 27 percent of traditional C corporations. That low audit rate made it difficult for the IRS to detect abusive tax practices and underpayment of U.S. taxes by hedge funds, including in connection with basket options.

The hearing heard from three panels of witnesses. The first panel consisted of Steven Rosenthal, a Senior Fellow at the Urban-Brookings Tax Policy Center, who criticized the basket option tax scheme; and James R. White, Director of Tax Issues at GAO, who discussed the GAO report on IRS audits of large partnerships. The second panel heard testimony from four senior officials at the banks and RenTec, all of whom defended their basket option activities. They included Martin Malloy, Managing Director at Barclays Bank; Satish Ramakrishna, Managing Director at Deutsche Bank Securities; Mark Silber, RenTec's Chief Financial Officer, Chief Compliance Officer, Chief Legal Officer, and Vice President; and Jonathan Mayers, RenTec's Counsel. The third panel consisted of high level officials from the banks and RenTec, including Gerard LaRocca, Chief Administrative Officer for the Americas at Barclays; M. Barry Bausano, President and Managing Director of Deutsche Bank Securities; and Peter Brown, Co-CEO and Co-President of RenTec. They also defended their use of basket options.

The Subcommittee investigation called for the IRS to review the hedge funds' basket option activities; for the U.S. Securities and Exchange Commission to review the hedge funds' and banks' circumvention of Federal leverage limits; and for Federal bank regulators to review the banks' facilitation of the basket option tax schemes.

H. Wall Street Bank Involvement With Physical Commodities (November 20 and 21, 2014)

The Subcommittee's final hearing during the 113th Congress, and Chairman Levin's final hearing as Subcommittee Chairman, examined Wall Street bank involvement with physical commodities.

In November 2014, the Subcommittee held a hearing and released a bipartisan report detailing case studies of Goldman Sachs, Morgan Stanley, and JPMorgan Chase, and their extensive physical commodity activities, including warehousing aluminum, copper, and other metals, trading uranium, mining coal, operating oil and gas storage and pipeline facilities, supplying jet fuel to airlines, and controlling power plants. The Subcommittee investigation also described a three-year review of those physical commodity activities by Federal Reserve examiners who identified a host of risks and recommended steps to reduce those risks. The investigation examined not only the catastrophic event and environmental risks incurred by the banks, but also their involvement with commodity

price manipulation and use of non-public information to gain unfair trading advantages in financial commodity markets.

The hearing took place over two days and heard from five panels of witnesses. On the first day, three panels presented evidence. The first panel consisted of two witnesses involved with Goldman's aluminum warehousing activities, Christopher Wibbelman, President and CEO of Metro International warehouse, and Jacques Gabillon, head of Goldman's Global Commodities Principal Investing Group and Chairman of the Board of the warehouse company. Both admitted that the wait to remove aluminum from the warehouse had grown dramatically during Goldman's ownership of the company, and that the warehouse had engaged in so-called merry-go-round transactions to keep aluminum from leaving the warehouse system, but denied that those actions manipulated aluminum supplies or prices, or that Goldman took advantage of non-public warehouse information when trading aluminum-related financial products. The second panel consisted of two aluminum experts, Jorge Vazquez, Founder and Managing Director of Harbor Aluminum Intelligence, and a leading aluminum analyst; and Nick Madden, Senior Vice President and Chief Supply Chain Officer for Novelis Inc., the largest purchaser of aluminum in the world. Both testified that Goldman's activities had disrupted normal aluminum pricing, and that confidential warehouse information could be used to gain trading advantages. The third panel for the day consisted of senior officials from the three banks, Gregory A. Agran, Co-Head of Goldman's Global Commodities Group; Simon Greenshields, Co-Head of Morgan Stanley's Global Commodities group; and John Anderson, Co-Head of JPMorgan's Global Commodities group. All three answered questions about their physical commodity activities.

On the second day, two additional panels of witnesses provided testimony at the hearing. The first panel consisted of Saule Omarova, Professor of Law at Cornell University and an expert on banking law; and Chiara Trabucchi, a principal at Industrial Economics Inc. and an expert on financial and environmental risk management. Professor Omarova testified that current bank involvement with physical commodities was unprecedented and contrary to longstanding U.S. principles against mixing banking with commerce. Ms. Trabucchi testified that banks appeared ill prepared to address the catastrophic event risks associated with their physical commodity activities. The second panel consisted of two Federal regulators, Daniel K. Tarullo, a Federal Reserve Governor involved with bank holding company oversight, and Larry D. Gasteiger, Acting Director of the Office of Enforcement at the Federal Energy Regulatory Commission (FERC). Mr. Gasteiger discussed FERC's legal actions against banks for manipulating electricity prices and payments, while Mr. Tarullo discussed the Federal Reserve's concerns with bank holding company involvement with physical commodities and its plans to propose a rulemaking in the first quarter of 2015 to reduce related risks.

After the hearing, bipartisan legislation was introduced by the Subcommittee Chairman and Ranking Member to prevent banking entities from engaging in financial commodity trading if they own or have an interest in businesses or facilities involved with the same physical commodities.

III. LEGISLATIVE ACTIVITIES DURING THE 113TH CONGRESS

The Permanent Subcommittee on Investigations does not have legislative authority, but because its investigations play an important role in bringing issues to the attention of Congress and the public, the Subcommittee's work frequently contributes to the development of legislative initiatives. The Subcommittee's activity during the 113th Congress was no exception, with Subcommittee hearings and Members playing prominent roles in several legislative initiatives.

A. Cut Unjustified Tax (CUT) Loopholes Act (S. 268)

On February 11, 2013, Senators Levin and Whitehouse re-introduced S. 268, the Cut Unjustified Tax Loopholes or CUT Loopholes Act, to close a series of tax loopholes, not only to increase the fairness of the tax code, but also to produce significant revenues for deficit reduction and avoid the across-the-board budget cuts known as sequestration. The proposed changes to the tax code were the product of a series of Subcommittee hearings on corporate tax avoidance. The bill included provisions to close a host of corporate offshore tax loopholes, including loopholes allowing corporations to deduct expenses for moving operations offshore, lower their taxes by manipulating foreign tax credits or moving intellectual property moved offshore, and avoid paying taxes by shifting corporate profits to tax havens. The bill also targeted domestic corporate tax loopholes, including those allowing corporations to take stock option tax deductions that were billions of dollars greater than the stock option expenses shown on their books; use a so-called "derivatives blended rate" enabling hedge funds and others to treat earnings from short-term investments in certain derivatives as long-term capital gains; exclude tar sands oil from excise taxes supporting the Oil Spill Liability Trust Fund; and enable investment managers, such as hedge fund managers, to use the so-called carried interest loophole to pay less than ordinary income tax rates on income earned from providing investment management services.

Closing those loopholes was estimated to produce, over ten years, at least \$260 billion in deficit reduction. The bill was referred to the Finance Committee which took no further action.

B. Stop Tax Haven Abuse Act (S. 1533)

On September 19, 2013, Senators Levin, Whitehouse, Shaheen, and Begich—later joined by Senators Markey and Mikulski—re-introduced the Stop Tax Haven Abuse Act, S. 1533, to close offshore tax loopholes and strengthen offshore tax enforcement. This legislation was based upon more than ten years of Subcommittee investigations into offshore tax havens, abusive tax shelters, and the professionals who design, market, and implement tax dodges. While some provisions from earlier versions of this bill were enacted into law, offshore tax abuses have continued and additional reforms are needed. The Subcommittee has estimated that offshore tax abuses cost the Treasury at least \$150 billion per year.

Among other measures, the bill would authorize Treasury to take special measures against foreign jurisdictions and financial institutions that impede U.S. tax enforcement; and establish rebuttable

presumptions in tax enforcement cases that offshore companies and trusts are controlled by the U.S. persons who send or receive assets from them. The bill would also prevent companies that are managed and controlled from the United States from claiming foreign status for tax purposes; and close a loophole allowing swap payments to be treated as non-U.S. source income when sent from the United States to persons offshore. Other provisions would require multinational corporations to report the taxes they pay on a country-by-country basis in public SEC filings; and require U.S. hedge funds and company formation agents to establish anti-money laundering programs. Still other provisions would stop corporations from deducting expenses for moving operations offshore, manipulating foreign tax credit abuses, and using short-term loan abuses to dodge taxes. The bill would also repeal the so-called check-the-box and CFC look-through rules that create tax incentives for U.S. multinationals to shift profits offshore and manipulate their offshore affiliates to avoid paying U.S. taxes on passive income.

This bill is very similar to Title I of the CUT Loopholes Act, described above. The Senate bill was referred to the Finance Committee which took no further action.

C. Incorporation Transparency and Law Enforcement Assistance Act (S. 1465)

On August 1, 2013, Senators Levin, Grassley, Feinstein and Harkin, later joined by Senator Whitehouse, re-introduced S. 1465, the Incorporation Transparency and Law Enforcement Assistance Act, to protect the United States from U.S. corporations with hidden owners being misused to commit crimes, including terrorism, drug trafficking, money laundering, tax evasion, financial fraud, and corruption. The bill is based upon a series of Subcommittee investigations which found that the 50 states establish nearly two million U.S. companies each year without knowing who is behind them, that the lack of ownership information invites wrongdoers to incorporate in the United States, and that the same lack of ownership information impedes U.S. law enforcement efforts when U.S. corporations are misused to commit crimes.

Among other provisions, the bill would require the states to obtain beneficial ownership information for the corporations or limited liability companies formed within their borders; require states to provide that information to law enforcement in response to a subpoena or summons; and impose civil and criminal penalties for persons who knowingly submit false ownership information. The bill would exempt all publicly traded and regulated corporations, as well as certain other corporations whose ownership information was already available.

In 2013, after G8 world leaders called for disclosing corporate owners, the White House issued an action plan championing legislation like the Levin-Grassley bill, which has been endorsed by multiple law enforcement groups. The bill was referred to the Committee on the Judiciary which took no further action.

D. Ending Insider Trading in Commodities Act (S. 3013)

On December 12, 2014, Senators Levin and McCain introduced S.3013, the Ending Insider Trading in Commodities Act. This bill

is the product of the Subcommittee's investigation into Wall Street bank involvement with physical commodities, described above, and is intended to prevent price manipulation and unfair trading. It would prevent a large financial institution from trading in physical commodities and commodity-related financial instruments while at the same time in possession of material, non-public information related to the storage, shipment, or use of a commodity arising from its ownership or interest in a business or facility used to store, ship, or use the commodity.

The bill was referred to the Committee on Agriculture which, due to the ending of the Congress, took no further action.

E. Partnership Auditing Fairness Act (S. 3018)

On December 16, 2014, Senators Levin introduced S. 3018, the Partnership Auditing Fairness Act to improve and streamline audit procedures for large partnerships, such as hedge funds, private equity funds, and publicly traded partnerships. According to a report by the Government Accountability Office, in 2012, the Internal Revenue Service (IRS) audited less than 1 percent of large partnerships compared to 27 percent of large corporations. The bill is intended to ensure that large for-profit partnerships, like other large profitable businesses, are subject to routine audits by the IRS and eliminate audit red tape that currently impedes IRS oversight. The bill is the product of the Subcommittee's investigation during this Congress into hedge fund use of a structured financial product known as basket options, which was used to avoid billions of dollars in U.S. taxes and demonstrated the need for routine IRS audits of hedge funds and other large partnerships. The bill mirrors a provision in the Tax Reform Act of 2014, introduced in the House of Representatives earlier this year by Congressman David Camp.

The bill was referred to the Committee on Finance which, due to the ending of the Congress, took no further action.

IV. REPORTS, PRINTS, AND STUDIES

In connection with its investigations, the Subcommittee often issues lengthy and detailed reports. During the 113th Congress, the Subcommittee released ten such reports, listed below, some of which have already been partly described in connection with Subcommittee hearings.

A. JPMorgan Chase Whale Trades: A Case History of Derivatives Risks & Abuses, March 15, 2013 (Report Prepared by the Majority and Minority Staffs of the Permanent Subcommittee on Investigations and released in conjunction with the Subcommittee's hearing on March 15, 2013)

In March 2013, following a nine-month probe, the Subcommittee released its first report of the 113th Congress. This 300-page bipartisan staff report examined the so-called "whale trades" that, in 2012, caused JPMorgan Chase & Co., America's biggest bank and largest derivatives dealer, to lose at least \$6.2 billion. As explained earlier, this report was released in connection with a Subcommittee hearing examining that trading activity.

The report detailed how the whale trades were conducted, presenting information on actions taken by the traders in the London

office of the Chief Investment Office (CIO) of JPMorgan Chase Bank, their supervisors, and associated risk management and financial personnel. The report described the nature and extent of the high risk synthetic credit derivative trades executed over the first quarter of 2012, and how JPMorgan Chase personnel handled the mounting losses. It described how the traders mismarked the trading book to hide the losses; managers disregarded multiple indicators of increasing risk and allowed ongoing breaches of five different risk limits; quantitative experts manipulated the risk models; and the bank dodged regulatory oversight and misinformed investors, regulators, and the public about its risky derivatives trades. The report exposed not only high risk activities and abuses at JPMorgan Chase, but also broader, systemic problems related to the valuation, risk analysis, disclosure, and oversight of synthetic credit derivatives. As indicated earlier, the report presented detailed evidence disproving the assertion that credit derivatives inherently lower financial risk.

The report offered a number of bipartisan recommendations to detect, prevent, and stop high risk derivatives trading involving synthetic credit derivatives at federally insured banks. They included requiring Federal bank regulators to identify and obtain performance data for all derivatives investment portfolios at the banks they oversee; require contemporaneous documentation of all hedges, including how each so-called hedge lowered risks associated with specified assets; and strengthen credit derivative valuation procedures to ensure derivatives are accurately priced and valued. The report also recommended that Federal regulators identify and investigate all large or sustained breaches of risk limits and all risk or capital evaluation models which, when activated, materially lower the purported risk or capital requirements associated with derivative trading activities. In addition, the report recommended that regulators promptly issue a final regulation implementing the Volcker Rule to stop high risk proprietary trading at federally insured banks, and to impose additional capital charges for those trading activities to ensure banks can cover potential losses.

B. Social Security Disability Benefits: Did a Group of Judges, Doctors, and Lawyers Abuse Programs for the Country's Most Vulnerable?, October 7, 2013 (Report Prepared by the Majority and Minority Staffs of the Committee on Homeland Security and Governmental Affairs and of its Permanent Subcommittee on Investigations, and released by the full Committee in conjunction with a full Committee hearing on October 7, 2013)

In October 2013, the full Committee, under the leadership of Senator Coburn, released a 160-page joint bipartisan staff report from the Chairmen and Ranking Members of the full Committee and the Subcommittee, presenting a case study of how one lawyer living in Kentucky, Eric Conn, engaged in a raft of improper practices to obtain disability benefits for thousands of claimants. This report followed an earlier report, issued by the Subcommittee's Minority staff in September 2012, finding deficiencies in how Social Security administrative law judges (ALJs) decided Social Security disability cases, detailing decisions which "failed to properly ad-

dress insufficient, contradictory, or incomplete evidence.” The 2013 report built upon that earlier work as well as investigative efforts conducted, in part, by the Subcommittee when Senator Coburn was the Subcommittee’s Ranking Member during the 112th Congress.

The joint bipartisan report detailed improper Social Security disability practices by Mr. Conn and his law firm, which included the manufacture of boilerplate medical forms, the misuse of waivers to submit disability claims that should have gone elsewhere, the employment of suspect doctors willing to conduct cursory medical exams, and apparent collusion with Social Security ALJs on practices that improperly favored the Conn clients. One ALJ’s practices included improperly assigning the Conn cases to himself, secretly informing Mr. Conn of what cases he would decide and what documentation should be submitted, accepting boilerplate medical forms, relying on conclusory medical opinions to reverse prior benefit denials, skipping hearings, and churning out short, poor quality decisions. The report also presented evidence of repeated unexplained cash payments to the ALJ’s bank account. In addition, the report faulted lax oversight by Social Security officials that allowed the abuses to continue for years and exposed U.S. taxpayers to millions of dollars in attorney and physician fees paid to the professionals who engaged in abusive practices.

The report offered a number of bipartisan recommendations to detect, prevent, and stop abusive practices like those exposed in the Conn case study. The recommendations included strengthening Social Security quality reviews of ALJ decisions, reforming outdated medical-vocational guidelines, and prohibiting claimants from submitting medical opinions from doctors with revoked or suspended licenses. The report also recommended that Social Security provide improved training on how ALJs should handle medical opinions that directly conflict with other evidence in a claimant’s medical files; and on how AMJs should articulate and support their decisions on claims. In addition, the report recommended that the Social Security Administration Inspector General conduct an annual review of the practices of the law firms earning the most attorney fees from processing disability cases to detect any abusive conduct.

C. Offshore Tax Evasion: The Effort to Collect Unpaid Taxes on Billions in Hidden Offshore Accounts, February 26, 2014 (Report Prepared by the Majority and Minority Staffs of the Permanent Subcommittee on Investigations and released in conjunction with the Subcommittee’s hearing on February 26, 2014)

In February 2014, following a two-year Subcommittee investigation, the Subcommittee released a 175-page bipartisan staff report detailing how Swiss banks aided and abetted tax evasion by their U.S. customers, using Credit Suisse, Switzerland’s second largest bank, as a case study. The report described how Credit Suisse opened Swiss accounts for over 22,000 U.S. customers with assets that, at their peak, totaled roughly \$10 billion to \$12 billion, the vast majority of which were hidden from U.S. authorities. The report also described how U.S. law enforcement officials were slow to collect the unpaid taxes and hold accountable both the tax evaders and the bank.

The report provided context for the Credit Suisse case study by describing how, in 2008 and 2009, the Subcommittee held a series of hearings into how Swiss banks, including UBS, Switzerland's largest, had colluded with U.S. tax evaders, aided by Switzerland's bank secrecy laws. It described how, in a 2008 Subcommittee hearing, UBS had acknowledged its wrongdoing and, in the year after the hearing, paid a \$780 million fine, entered into a deferred prosecution agreement with the U.S. Department of Justice (DOJ), and identified thousands of previously undisclosed U.S. accounts to the IRS, including providing U.S. client names. The report explained that Credit Suisse had engaged in similar conduct from at least 2001 to 2008, had been slow to close the hidden Swiss accounts held by U.S. accountholders, and had disclosed almost none of the names of those U.S. accountholders to U.S. tax authorities.

The report described the misconduct engaged in by Credit Suisse, which included sending Swiss bankers into the United States to recruit U.S. customers, opening Swiss accounts, including accounts opened in the name of offshore shell corporations, that were not disclosed to U.S. authorities, and servicing Swiss accounts here in the United States without leaving a paper trail. The report also described how, after the UBS scandal broke, Credit Suisse began a series of Exit Projects that took five years to close Swiss accounts held by 18,900 U.S. clients. In addition, the report detailed how Credit Suisse had conducted an internal investigation into its activities, but produced no report and identified no leadership failures that allowed the bank to become involved with U.S. tax evasion. The report noted that, despite a 2011 indictment of seven of its bankers and a DOJ letter stating that the bank itself was an investigation target, Credit Suisse had yet to be held legally accountable by DOJ, and none of its bankers had yet stood trial.

The report also examined DOJ conduct. It found that, despite 2008 and 2009 DOJ testimony pledging to use U.S. legal tools such as grand jury subpoenas and John Doe summonses to obtain the names of U.S. tax evaders with hidden offshore accounts, DOJ had failed to use those tools, choosing instead to file Swiss treaty requests with little success. The report noted that, over the prior five years, DOJ had not sought to enforce a single grand jury subpoena against a Swiss bank, had not assisted in the filing of a single John Doe summons to obtain client names or account information in Switzerland, and had not requested the extradition of a single indicted Swiss banker. It also noted that DOJ had prosecuted only one Swiss bank, Wegelin & Co., despite more than a dozen under investigation for facilitating U.S. tax evasion. The report found that, in five years, DOJ had obtained U.S. client names for only 238 undeclared Swiss accounts out of the tens of thousands opened offshore. Finally, the report examined the conduct of the Swiss government in response to allegations that Swiss banks had facilitated U.S. tax evasion. The report described Swiss efforts to preserve bank secrecy, its unwillingness to provide U.S. client names, and its stance against extraditing indicted bankers to stand trial in the United States.

The report made a number of bipartisan recommendations to revitalize U.S. efforts to stop tax haven banks from facilitating U.S. tax evasion. They included urging DOJ to step up its prosecution

of tax haven banks and offshore U.S. accountholders, using U.S. legal tools rather than treaty requests to obtain U.S. client names; and to strengthen transparency requirements for tax haven banks with deferred prosecution agreements. The report also recommended that Congress amend U.S. tax laws to streamline the use of John Doe summons procedures to uncover offshore accounts; that the U.S. Senate ratify a 2009 protocol strengthening disclosures under the U.S.-Swiss tax treaty; and that the U.S. Treasury and IRS close legal loopholes enabling offshore accounts held by U.S. persons to remain hidden.

D. Caterpillar's Offshore Tax Strategy, April 1, 2014 (Report Prepared by the Majority Staff of the Permanent Subcommittee on Investigations and released in conjunction with the Subcommittee's hearing on April 1, 2014)

In April 2014, following a year-long investigation, the Subcommittee released a 95-page majority staff report detailing how Caterpillar Inc., an American manufacturer of heavy equipment, used a wholly owned Swiss affiliate to shift \$8 billion in profits from the United States to Switzerland to take advantage of a 4-6 percent corporate tax rate it had negotiated with the Swiss government and defer or avoid paying \$2.4 billion in U.S. taxes to date. This report was the latest in a series of Subcommittee investigations into tax avoidance by U.S. multinational corporations, including Apple, Microsoft, and Hewlett-Packard.

The report described how Caterpillar paid PricewaterhouseCoopers, acting as both its tax consultant and auditor, over \$55 million to develop and implement its Swiss tax strategy. The report explained that, under that tax strategy, in exchange for a small royalty, Caterpillar gave a license to its wholly controlled Swiss affiliate called CSARL to make all non-U.S. sales of Caterpillar's third party manufactured parts to Caterpillar's non-U.S. dealers. The report noted that Caterpillar redirected those profits from the United States to Switzerland essentially by replacing its name with CSARL on the parts invoices, and without moving any personnel or parts activities to Switzerland. The report presented detailed evidence showing that Caterpillar's global parts business continued to be run from the United States, and that virtually none of the manufacturing, warehousing, distribution, or parts management activities took place in Switzerland. Because CSARL lacked the personnel, infrastructure, and expertise to run the global parts business, CSARL paid Caterpillar to keep doing the work, reimbursing it for its costs plus a small service fee. The report showed that, prior to implementing the Swiss tax strategy, Caterpillar had booked 85 percent or more of its non-U.S. parts profits in the United States, where 70 percent of those parts were made and warehoused and where its global parts operation was managed, while afterward it booked 85 percent or more of the parts profits in Switzerland.

The report offered a number of recommendations to detect, prevent, and stop corporate tax avoidance using suspect offshore tax strategies like that exposed in the Caterpillar case study. The recommendations included urging the Internal Revenue Service (IRS) to analyze the economic substance of all intercompany transactions

in which licenses are issued to offshore affiliates to sell U.S. produced products, require U.S. parent corporations to identify and value the functions performed by those offshore affiliates, and require U.S. parents to justify the profit allocation between themselves and their offshore affiliates. The report also recommended that the United States participate in ongoing international efforts to develop better principles for taxing multinational corporations, including by requiring those multinationals to disclose their business operations and tax payments on a country-by-country basis. In addition, the report recommended that public accounting firms be prohibited from simultaneously providing auditing and tax consulting services to the same corporation, to prevent the conflicts of interest that arise when an accounting firm's auditors are asked to audit the tax strategies designed and sold by the firm's tax consultants.

E. Online Advertising and Hidden Hazards to Consumer Security and Data Privacy, May 15, 2014 (Report Prepared by the Majority and Minority Staffs of the Permanent Subcommittee on Investigations and released in conjunction with the Subcommittee's hearing on May 15, 2014)

In May 2014, after nearly a year-long investigation under the leadership of Senator McCain, the Subcommittee released a 40-page bipartisan staff report detailing how online advertising, which has surpassed broadcast television as the largest advertising medium in the United States with \$42.8 billion in 2013 revenues, exposed online consumers to hidden hazards, including data breaches, malware attacks, and other cybercrimes.

The report described the complex system used for online advertising, which involves the participation of many parties in delivering a single ad. The report showed how the display of a single online advertisement can trigger online consumer interactions with a chain of other companies, many of which are unknown to the consumer and each of which could compromise the consumer's privacy or become a source of vulnerability for cybercriminals. The report described one instance, for example, in which a consumer visit to a popular tabloid news website triggered the consumer's interaction with over 350 other web servers, even without the consumer's clicking on the advertisement display. The report explained that, on radio or television, the content of an advertisement is generally transmitted by the same party that hosts the rest of the content on the station while, in contrast, host websites commonly sell ad space on their sites through intermediary companies and typically have no control or even notice of the advertisements that will be displayed. The report noted that host websites often do not select and cannot predict which intermediary advertising networks will deliver advertisements to consumers visiting their sites, and typically have limited control over the content of the advertisements whose placements they facilitate. The report also described how cyber criminals use malicious advertising to target consumers, including by using online ads to place malware on consumer devices.

The report offered a number of bipartisan recommendations to detect, prevent, and stop abusive practices in online advertising. The recommendations included urging the online advertising indus-

try to establish better practices and clearer rules to prevent abuses, strengthening cyber threat-related and other security information exchanges within the online advertising industry to detect and prevent abuses, and clarifying specific prohibited practices. The report also recommended that self-regulatory bodies develop comprehensive security guidelines for preventing online advertising malware attacks; that additional “circuit breakers” be developed to introduce check-points to catch malicious advertisements at an earlier stage before transmission to consumers; and that online companies thoroughly vet new advertisers and perform rigorous and ongoing checks to ensure legitimate advertisements do not morph into malware. In addition, the report recommended that the Federal Trade Commission consider issuing comprehensive regulations to prohibit deceptive and unfair online advertising practices that facilitate or fail to take reasonable steps to prevent malware, invasive cookies, and inappropriate data collection delivered to Internet consumers through online advertisements.

F. The Air Force’s Expeditionary Combat Support System (ECSS): A Cautionary Tale on the Need for Business Process Re-engineering and Complying with Acquisition Best Practices, July 7, 2014) (Report Prepared by the Majority and Minority Staffs of the Permanent Subcommittee on Investigations)

In July 2014, under Senator McCain’s leadership, the Subcommittee released a 40-page bipartisan staff report on the Air Force’s Expeditionary Combat Support System (ECSS) program, a \$1 billion failed effort to form a unified logistics and supply-chain management system to track all Air Force physical assets from airplanes to fuel to spare parts. Following the program’s cancellation in 2012, the report analyzed the factors that led to the failure, including a lack of leadership and cultural resistance to adopting “best practices” in Air Force procurements.

The report described the development of the ECSS system. It found, among other problems, that the Air Force admitted it did not understand what it needed to do to implement the ECSS. The report noted that, in the eight years ECSS was active, the Air Force transitioned six program managers and five program executive officers, resulting in constant leadership turnover and leaving no one accountable for ECSS’s failure. The report also determined that the Department of Defense (DOD) and Air Force had a strong cultural resistance to change and adoption of “best practices” to improve their procurement systems. The report found that their resistance hindered effective implementation of business process re-engineering (BPR) efforts intended to ensure that enterprise resource planning (ERP) systems were effectively integrated into the relevant business units. The report concluded that the Air Force squandered over \$1 billion in taxpayer funds over eight years without producing a workable ECSS capability.

The report offered a number of bipartisan recommendations to prevent future acquisition failures. The recommendations included improving ERP systems outcomes by initiating BPR assessments earlier in the acquisition process, improving oversight to ensure DOD has a sufficient understanding of the existing business processes to be changed, and ensuring sound budget decision making

by integrating the Investment Review Boards (IRB) at the beginning of the budget process. The report also recommended reducing duplicative reporting requirements by utilizing a single governance structure for the acquisition of ERP systems, improving accountability by aligning the tenure of program executives with key acquisition decision points, and strengthening resource verifications of self-reporting BPR certification from program offices.

To help alleviate the problems disclosed by the ECSS failure, at Senator McCain's request, the Senate Armed Services Committee included in the Fiscal Year 2015 defense authorization bill provisions that required DOD to gain an understanding of the existing legacy systems before procuring any large new business system and to complete a report on enhancing the role of DOD civilian and military program managers in developing and carrying out defense acquisition programs.

G. Abuse of Structured Financial Products: Misusing Basket Options to Avoid Taxes and Leverage Limits, July 22, 2014 (Report Prepared by the Majority and Minority Staffs of the Permanent Subcommittee on Investigations and released in conjunction with the Subcommittee's hearing on July 22, 2014)

In July 2014, the Subcommittee released at 95-page bipartisan staff report describing how two global banks, Deutsche Bank AG and Barclays Bank PLC, and more than a dozen hedge funds misused a complex financial structure known as a basket option to claim billions of dollars in unjustified tax savings and avoid leverage limits that protect the financial system from risky debt. This report was the latest in a line of Subcommittee reports documenting bank participation in transactions designed to help clients avoid or evade U.S. taxes.

The report outlined how, over the course of more than a decade, from 1998 to 2013, the banks sold 199 basket options to 13 hedge funds which used them to conduct more than \$100 billion in trades. The report provided detailed information on options involving two of the largest basket option users, Renaissance Technologies Corporation LLC ("RenTec") and George Weiss Associates. The report explained how the banks and hedge funds used the option structure to open proprietary trading accounts in the names of the banks and create the fiction that the banks owned the account assets, when in fact the hedge funds exercised total control over the assets, executed all the trades, and reaped all the trading profits. The report also explained that when the hedge funds exercised the options shortly after the one-year mark, they claimed that the trading profits were eligible for the lower income tax rate that applies to long-term capital gains on assets held for at least a year, even for short-term trades. The report noted, for example, that RenTec claimed it could treat the trading profits as long term gains, even though it executed an average of 26 to 39 million trades per year and held many assets for mere seconds. The report also noted that, in 2010, the Internal Revenue Service (IRS) had issued an opinion prohibiting the use of basket options to claim long-term capital gains. The report estimated that the hedge funds used the basket option structures to avoid taxes in excess of \$6 billion.

The report also explained that, in addition to avoiding taxes, the basket option structure was used by the banks and hedge funds to evade Federal leverage limits on trading securities with borrowed money. Leverage limits were enacted into law after the stock market crash of 1929, when stock losses led to the collapse of not only the stock speculators, but also the banks that lent them money and were unable to collect on the loans. Had the hedge funds made their trades in a normal brokerage account, they would have been subject to a 2-to-1 leverage limit—that is, for every \$2 in total holdings in the account, \$1 could be borrowed from the broker. But because the option accounts were in the name of the bank, the option structure created the fiction that the bank was transferring its own money into its own proprietary trading accounts instead of lending to its hedge-fund clients, in some cases leading to a leverage ratio of 20-to-1. The banks pretended that the money placed into the accounts were not loans to its customers, even though the hedge funds paid financing fees for use of the money. While the two banks have stopped selling basket options as a way for clients to claim long-term capital gains, they continue to use the structures to avoid Federal leverage limits.

The report offered a number of bipartisan recommendations to detect, prevent, and stop basket option abuses. The recommendations included urging the IRS to audit each of the hedge funds that used basket option products to collect any unpaid taxes; and urging Federal financial regulators, as well as Treasury and the IRS, to intensify warnings against, scrutiny of, and legal actions to penalize bank participation in tax-motivated transactions. The report also recommended that Treasury and the IRS revamp the Tax Equity and Fiscal Responsibility Act (TEFRA) regulations to reduce impediments to audits of large partnerships, and that Congress amend TEFRA to facilitate those audits. In addition, the report recommended that the Financial Stability Oversight Council, working with other agencies, establish new reporting and data collection mechanisms to enable financial regulators to analyze the use of derivative and structured financial products to circumvent Federal leverage limits on purchasing securities with borrowed funds, gauge the systemic risks, and develop preventative measures.

H. IRS and TIGTA Management Failures Related to 501(c)(4) Applicants Engaged in Campaign Activity, September 5, 2014 (Report Prepared by the Majority Staff of the Permanent Subcommittee on Investigations with Minority Staff Dissenting Views)

In September 2014, after more than a year-long investigation, the Subcommittee released a 225-page report summarizing the Subcommittee's bipartisan investigation into problems with how the Internal Revenue Service (IRS) processed applications for tax exempt status under Section 501(c)(4) of the tax code. The report was prepared by the majority staff and included dissenting views by the minority staff, which did not join the majority staff report. The report was accompanied by the release of over 1,700 pages of documents from the IRS and Treasury Inspector General for Tax Administration (TIGTA), including emails, correspondence, memoranda, charts, handwritten notes, reports, and analyses.

The majority staff report reached many of the same conclusions as an audit report that was released earlier by TIGTA about the 501(c)(4) application process. The majority staff report found that the IRS used inappropriate screening criteria when it flagged for increased scrutiny applications based upon the applicants' names or political views rather than direct evidence of their involvement with campaign activities. The report also presented evidence of significant program mismanagement, including years-long delays in processing 501(c)(4) applications; inappropriate, intrusive, and burdensome questioning of groups; and poor communication and coordination between IRS officials in Washington and Cincinnati. At the same time, like TIGTA, the report found no evidence of IRS political bias in selecting 501(c)(4) applications for heightened review, as distinguished from using poor judgment in crafting the selection criteria. Based on investigative work that went beyond what TIGTA examined, the majority staff report also determined that the same problems affected IRS review of 501(c)(4) applications filed by liberal groups, detailing several examples.

The majority staff report also criticized the TIGTA audit. It found that, by focusing exclusively on how the IRS handled 501(c)(4) applications filed by conservative groups and excluding any comparative data on applications filed by liberal groups, the TIGTA audit produced distorted audit results that continue to be misinterpreted. The report explained that the TIGTA audit engagement letter stated that the audit's "overall objective" was to examine the "consistency" of IRS actions in identifying and reviewing 501(c)(4) applications, including whether "conservative groups" experienced "inconsistent treatment." The report found that, instead, the TIGTA audit focused solely on IRS treatment of conservative groups, and omitted any mention of other groups. For example, while the TIGTA audit report criticized the IRS for using "Tea Party," "9/12," and "Patriot" to identify applications filed by conservative groups, it left out that the IRS also used "Progressive," "ACORN," "Emerge," and "Occupy" to identify applications filed by liberal groups. The majority staff report noted that, while the TIGTA audit report criticized the IRS for subjecting conservative groups to delays, burdensome questions, and mismanagement, it failed to disclose that the IRS subjected liberal groups to the same treatment. The majority staff report explained that the result was that when the TIGTA audit report presented data showing conservative groups were treated inappropriately, it was interpreted to mean conservative groups were handled differently and less favorably than liberal groups, when in fact, both groups experienced the same mistreatment. The majority staff report also criticized TIGTA for failing to include in its audit report its conclusion that the TIGTA audit had 'found no evidence of political bias' by the IRS in processing 501(c)(4) applications, an omission which led to the TIGTA audit report being misconstrued to inaccurately and unfairly damage public confidence in the impartiality of the IRS.

The majority staff report offered a number of recommendations to reform IRS processing of 501(c)(4) applications filed by groups planning to engage in both social welfare and campaign activities. The recommendations included urging the IRS to stop using a "facts and circumstances" test to evaluate the applications and

groups, since it produced a time-consuming, case-by-case, non-transparent, subjective, and unpredictable method of evaluation that not only confused and delayed IRS decisionmaking, but also invited public suspicion that the IRS may have been influenced by politics. Instead, the majority staff report recommended developing objective standards and bright line rules to produce more consistent, timely, transparent, and predictable treatment of 501(c)(4) applications filed by groups that engage in campaign activities. The report also recommended that the IRS revise its rules to comply with the statutory requirement that 501(c)(4) groups engage ‘exclusively’ in social welfare activities, including by applying an ‘insubstantial’ test to limit other activities, similar to the one already applied to 501(c)(3) charities, and by applying a percentage test to ensure campaign activities comprise no more than an insubstantial portion of a tax-exempt social welfare organization’s activities. In addition, the report recommended that the IRS require 501(c)(4) groups to provide the IRS with a copy of any filing submitted to the Federal Election Commission, so that the IRS can use those filings to identify 501(c)(4) groups warranting heightened review for campaign activity.

The dissenting views filed by the minority staff disagreed that the IRS mistreated both conservative and liberal groups. The dissenting views found that, while some liberal groups were examined by the IRS from May 2010 to May 2012, there were far fewer such groups, they were systematically separate from the review of conservative groups, their questioning was far less intrusive, and, in some cases, the liberal groups were affiliates of specific organizations that had behaved illegally in the past and could reasonably have expected additional scrutiny. The dissenting views found that the inclusion of a few liberal groups by the IRS did not bear comparison to the targeting of conservative groups, that conservative groups received the bulk of unfair and burdensome treatment, and that the IRS screening resulted in a clearly disparate impact on conservative group applications. The dissenting views also noted that, while the majority and minority staffs were unable to come to agreement in their analysis, the Subcommittee conducted its investigation through joint interviews and document requests, and continued its tradition of in-depth fact finding and frequent consultations that are the hallmark of the Subcommittee’s oversight work and led to a deepened understanding of key issues.

I. Defense Acquisition Reform: Where Do We Go from Here? A Compendium of Views by Leading Experts, October 2, 2014 (Report Prepared by the Majority and Minority Staffs of the Permanent Subcommittee on Investigations)

In October 2014, under the leadership of Senator McCain, the Subcommittee released a bipartisan staff report containing a collection of 31 essays from a variety of defense acquisition experts offering views on defense acquisition reform. While the Subcommittee made no recommendations of its own, the report’s experts provided a comprehensive review of current shortcomings in the acquisition process and provided a wide range of options to improve the defense acquisition system.^u This compendium provides a starting point for defense acquisition reforms in the next Congress.

J. Wall Street Bank Involvement With Physical Commodities, November 20 and 21, 2014 (Report Prepared by the Majority and Minority Staffs of the Permanent Subcommittee on Investigations and released in conjunction with the Subcommittee's hearing on November 20 and 21, 2014)

In November 2014, after a two-year investigation, the Subcommittee released a 400-page bipartisan staff report detailing the nature and extent of the involvement of large Wall Street banks with physical commodities. The report explained how physical commodity activities were eroding the longstanding separation of banking and commerce; increasing risks to the banks, their holding companies, and the financial system; and raising questions about price manipulation and unfair trading in commodity markets.

The report presented three case studies involving Goldman, Morgan Stanley, and JPMorgan Chase. In each case study, the report provided detailed evidence on several examples of physical commodity activities, including warehousing aluminum and other metals, trading uranium, mining coal, operating oil and gas storage and pipeline facilities, supplying jet fuel to airlines, constructing a compressed natural gas facility, and controlling power plants. The report provided detailed information about Goldman's ownership of Metro Trade Services International, a U.S. warehouse company which was certified to store aluminum warranted by the London Metal Exchange for use in settling trades and which operated a number of Detroit-area warehouses. The report noted that, after Goldman bought Metro in 2010, Metro warehouses accumulated 85 percent of the LME aluminum storage market in the United States, began to engage in so-called "merry-go-round" deals that shuttled metal from building to building without actually shipping aluminum out of Metro's system; and increased the wait to withdraw LME-warranted metal from storage from about 40 days to more than 600, reducing aluminum availability and tripling the U.S. premium for storage and delivery costs. The report noted that, during the same period, Goldman engaged in massive aluminum trades in both the physical and financial markets, further increasing the length of the warehouse queue and raising concerns about whether Goldman was manipulating aluminum prices or making trades using non-public warehouse information.

The report also detailed how JPMorgan amassed physical commodity holdings equal to nearly 12 percent of its Tier 1 capital, while telling regulators its holdings were far smaller; owned or controlled 30 electrical power plants across the country; and incurred a \$410 million penalty for manipulative bidding strategies that produced excessive electricity payments that hurt consumers in California and the Midwest. The report also described JPMorgan's involvement with stockpiling and trading copper and designing an exchange traded fund based on copper prices. In addition, the report described how, at one time, Morgan Stanley controlled 55 million barrels of oil storage capacity as well as 6,000 miles of pipeline, while also working to build its own compressed natural gas facility and supplying major airlines with jet fuel. The report also described how the Federal Reserve conducted an intensive review of the physical commodity activities being engaged in by financial holding companies, determined they carried novel and troubling

risks to both the holding companies and the financial system, and was considering new rules to rein in physical commodity risks.

The report offered a long list of bipartisan recommendations to reduce physical commodity activities at banks and their holding companies. The recommendations included urging the Federal Reserve to reaffirm the separation of banking from commerce, and reconsider all of the rules and practices related to physical commodity activities in light of that principle; to issue a clear and comprehensive limit on the size of a financial holding company's physical commodity activities; and strengthen public disclosures of those activities to support effective oversight. The report also recommended narrowing the scope of the legal authorities permitting physical commodity activities, and establishing capital and insurance minimums to protect against potential losses from catastrophic events. In addition, the report recommended barring large traders, including financial holding companies, from using material non-public information gained from physical commodities activities to benefit their trading activities in the financial markets. The report also urged the Federal Reserve to use its upcoming rule-making to address these concerns and reduce the risks associated with financial company involvement in physical commodity activities.

V. REQUESTED AND SPONSORED REPORTS

In connection with its investigations, the Subcommittee makes extensive use of the resources and expertise of the Government Accountability Office (GAO), the Offices of Inspectors General (OIGs) at various Federal agencies, and other entities. During the 113th Congress, the Subcommittee requested a number of reports and studies on issues of importance. Several of these reports have already been described in connection with Subcommittee hearings. Several additional reports that were of particular interest, and that were not covered by Subcommittee hearings, are the following.

A. Corporate Income Tax: Effective Tax Rates Can Differ Significantly from the Statutory Rate (GAO-13-520), May 30, 2013

Over the past ten years, the Subcommittee has conducted a series of investigations into corporate nonpayment of U.S. income taxes. In 2008, in part at the Subcommittee's request, GAO issued a report on corporate tax payments (GAO-08-957) which found that nearly 55 percent of all large U.S.-controlled corporations reported no Federal tax liability in at least one year between 1998 and 2005. In response to a bipartisan request from the Subcommittee to update that report five years later, GAO assessed the extent to which corporations pay U.S. corporate income tax, and compared the average effective tax rate for corporations to the U.S. statutory corporate tax rate of 35 percent.

The GAO report determined that large, profitable U.S. corporations paid an average effective Federal tax rate of 12.6 percent in 2010, or only about one-third of the U.S. statutory rate. The report's findings added to a growing body of evidence that large, profitable corporations bear a dwindling share of the U.S. tax burden, and that the Treasury collects far less revenue from large, profitable corporations than might be expected under the 35 percent

statutory tax rate. GAO's year-long study examined, in particular, how effective tax rates are typically calculated, and then developed a new, more accurate methodology using actual corporate tax return data. GAO compiled the tax return data from large corporations for tax years 2008 through 2010, using M-3 tax returns filed with the Internal Revenue Service by corporations with at least \$10 million in assets. Using actual tax return data enabled GAO to develop more accurate figures for the taxes paid by large U.S. corporations than studies using tax information provided in corporate financial statements. The GAO report noted that the amounts reported in the corporate tax returns were, on the whole, lower than the tax liabilities reported in the corporate financial statements filed with the Securities and Exchange Commission. The GAO report explained that average corporate effective tax rates are generally computed as the ratio of taxes paid or tax liabilities accrued in a given tax year over the net income declared by the corporation during that same year.

GAO found that, on average, large, profitable U.S. corporations paid U.S. Federal income tax amounting to just 12.6 percent of their worldwide income. In addition, GAO found that the relatively low effective tax rate paid by U.S. corporations did not substantially increase when other taxes paid by those corporations were taken into account. For example, GAO found that, in 2010, adding foreign, state, and local taxes to Federal income taxes increased the average effective tax rate of large, profitable U.S. corporations by about 4 percentage points to 16.9 percent of their worldwide income. That composite tax rate was still less than half the U.S. statutory rate.

GAO noted that some studies calculating effective tax rates included unprofitable corporations in their analysis, but explained that "[t]he inclusion of unprofitable firms, which pay little if any actual tax, can result in relatively high estimates because the losses of unprofitable corporations greatly reduce the denominator of the effective rate" and "do not accurately represent the tax rate on the profitable corporations that actually pay the tax." GAO calculated that when unprofitable corporations were included in its data, the average effective Federal tax rate rose from 12.6 percent to 16.6 percent, because those corporations had lost \$315 billion and thereby reduced the overall net income against which the corporate tax payments were compared. GAO concluded that the resulting tax rate overstated the effective tax rate actually paid by large, profitable U.S. corporations.

GAO's finding that corporations pay far less than the U.S. statutory rate was consistent with other Subcommittee investigative work detailing the many tax loopholes and tax shelters used by some U.S. profitable corporations to avoid or evade paying U.S. taxes. It was also consistent with other studies demonstrating that large, profitable corporations are often able to minimize, if not entirely avoid, paying U.S. income taxes. GAO did not make any recommendations in its report.

B. Disability Insurance: Work Activity Indicates Certain Social Security Disability Insurance Payments Were Potentially Improper (GAO-13-635), August 15, 2013

For a number of years, the Subcommittee has examined issues related to Social Security disability programs and benefits. In August 2013, in response to a bipartisan request from the Subcommittee, GAO examined the extent to which the Federal Social Security Disability Insurance (DI) program may be overpaying benefits. This program is the nation's largest cash assistance program for workers with disabilities. Although program rules allow beneficiaries to engage in a limited amount of certain types of work, other work activities indicate that the beneficiaries are not disabled and therefore not entitled to DI benefits. Consequently, the Social Security Administration (SSA) may overpay beneficiaries if the agency does not detect disqualifying work activity and suspend benefits appropriately.

GAO estimated that, as of January 2013, SSA made \$1.29 billion in potential cash benefit overpayments to about 36,000 individuals, representing an estimated 0.4 percent of all primary DI beneficiaries as of December 2010. GAO developed this estimate by analyzing SSA data on individuals who were DI beneficiaries as of December 2010, and earnings data from the National Directory of New Hires (NDNH). GAO noted that the exact number of individuals who received improper disability payments and the exact amount of improper payments cannot be determined without detailed case investigations. GAO also noted that SSA, using a different methodology, had estimated its DI overpayments in Fiscal Year 2011 at \$1.62 billion, or 1.27 percent of all DI benefits in that Fiscal Year.

GAO explained that its estimate included consideration of work activity performed by two populations of individuals. The first population performed work activity during the DI program's mandatory 5-month waiting period—a statutory program requirement to help ensure that SSA does not pay benefits to individuals who do not have long-term disabilities. Prior to receiving benefits, individuals must complete a 5-month waiting period, in which the individual cannot exceed a certain level of earnings, known as substantial gainful activity, during any month in order to be eligible for DI benefits. Earnings that exceed program limits during the waiting period indicate that individuals might not have long-term disabilities. The second population performed work activity beyond the program's trial work period which allows certain types of work for up to 9 months, to see if the beneficiary can do that work and no longer requires DI benefits. Beneficiaries whose earnings consistently exceed program limits after completing the trial work period are generally no longer entitled to DI benefits. GAO determined that SSA uses its enforcement operation to generate alerts for potentially disqualifying earnings, but those alerts are not issued for earnings that occur in all months of the waiting period and potentially disqualifying work activity may remain undetected. SSA officials indicated to GAO that modifying its enforcement operation could be costly, and that the agency had not performed a cost assessment for making that modification.

GAO recommended that SSA assess the cost and feasibility of establishing a mechanism to detect potentially disqualifying earnings during all months of the waiting period. SSA concurred, despite raising concerns about GAO's estimates.

C. IRS's Offshore Voluntary Disclosure Program: 2009 Participation by State and Location of Foreign Bank Accounts (GAO-14-265R), January 6, 2014

For a number of years, the Subcommittee has examined issues related to offshore tax abuses, including actions taken by banks located in tax havens to open offshore accounts for U.S. clients without disclosing those accounts to the Internal Revenue Service (IRS). At a 2008 Subcommittee hearing, UBS, Switzerland's largest bank, admitted that it had facilitated U.S. tax evasion by opening undisclosed Swiss accounts for U.S. clients. In 2009, UBS signed a deferred prosecution agreement with the United States on charges of conspiring to defraud the United States by impeding U.S. tax collection, paid a \$780 million fine, and agreed to disclose the names of some U.S. clients with hidden Swiss accounts. Also in 2009, the IRS established an Offshore Voluntary Disclosure Program to encourage U.S. taxpayers to disclose the existence of their offshore accounts and, using a system of reduced penalties, pay the back taxes, interest, and penalties they owed for evading U.S. taxes. As a condition to participating in the program, the IRS required taxpayers to provide information about the offshore banks, investment firms, law firms, and others that helped them hide their assets offshore.

In March 2013, at the request of the Finance Committee and others, GAO issued a report (GAO-13-318) analyzing the Offshore Voluntary Disclosure Program. The report found that, as of December 2012, the IRS had received more than 39,000 disclosures from taxpayers and revenues exceeding \$5.5 billion. GAO also analyzed about 10,500 taxpayer filings from the program and determined that, during the 2009 initiative, the median offshore account amount was \$570,000, while accounts with penalties greater than \$1 million represented only about 6 percent of the cases, but accounted for almost half the penalties. In addition, GAO determined that many other taxpayers had made so-called "quiet disclosures" of offshore assets or income, by either amending a past return or disclosing offshore income for the first time on a current return, without paying any back taxes, interest, or penalties on previously hidden income. GAO noted, for example, that from tax year 2007 through tax year 2010, IRS estimated that the number of taxpayers reporting foreign accounts had nearly doubled to 516,000. GAO described these quiet disclosures as resulting in lost revenues while also undermining the effectiveness of the Offshore Voluntary Disclosure Program, and recommended review by the IRS.

In January 2014, in response to a request from the Subcommittee, GAO issued a report providing supplemental information about the taxpayers who participated in the 2009 Offshore Voluntary Disclosure Program. GAO found that the participants had together filed over 12,800 Foreign Bank and Financial Account Reports (FBARs), as part of their disclosure obligations. GAO reported that its review of a sample of those FBARs found that some

participants disclosed dozens of offshore accounts with multiple banks in multiple countries, while other participants disclosed only one account. Of the 12,800 FBARs reviewed, GAO determined that about 5,400 or 42 percent reported at least one account in Switzerland, while the next highest country total was the United Kingdom with about 1,000 accounts. GAO also determined that U.S. taxpayers across the country filed those FBARs, with the most filed by taxpayers in the five states with generally the largest populations, California, New York, Florida, New Jersey, and Texas. No comparable analysis has yet been performed for FBARs filed in later stages of the Offshore Voluntary Disclosure Program, nor has any analysis been made public regarding other types of information provided by program participants. GAO did not make any recommendations in this report.

D. Large Partnerships: Characteristics of Population and IRS Audits (GAO-14-379R), March 19, 2014; and Large Partnerships: With Growing Number of Partnerships, IRS Needs to Improve Audit Efficiency (GAO-14-732), September 18, 2014

Over the years, the Subcommittee has examined a number of tax issues involving partnerships, including hedge funds. In March and September 2014, in response to a bipartisan request from the Subcommittee, GAO examined the IRS audit rate for large partnerships, defined by GAO as those with at least 100 direct and indirect partners and \$100 million in assets. They include hedge funds, private equity funds, and publicly traded partnerships. The March report provided preliminary graphics and data, while the September report provided a more comprehensive examination of IRS audits of large partnerships.

In its reports, GAO determined that, from 2002 to 2011, the number of large partnerships had tripled to over 10,000, while the number of C corporations being created, including the largest U.S. publicly traded corporations, fell by 22 percent. GAO found that large partnerships had also increased in both the average number of direct partners and average asset size. GAO also found that some of those partnerships had revenues totaling billions of dollars per year and estimated that they collectively held more than \$7.5 trillion in assets. In addition, GAO found that the IRS was auditing only a tiny fraction of the partnerships. According to GAO, in 2012, the IRS audited less than 1 percent of large partnerships compared to 27 percent of C corporations, making C corporations 33 times more likely to face an audit than a partnership.

The GAO report described the complexity of some large partnerships, which made them difficult for the IRS to audit effectively. GAO reported that some partnerships had 100,000 or more partners arranged in multiple tiers, and some of those partners were not individuals or corporate entities but pass-through entities—essentially, partnerships within partnerships. In addition, at publicly traded partnerships, the partners can change on a daily basis. GAO reported that one IRS official calculated that there were more than 1,000 partnerships with more than a million partners in 2012.

The GAO report also discussed a number of statutory obstacles to IRS audits of large partnerships. The report explained that the key statute, the Tax Equity and Fiscal Responsibility Act (TEFRA),

was three decades old, was enacted at a time when many partnerships had 30 to 50 partners, and was not designed to handle partnerships with a million partners or a partnership roster that changed on a daily basis. Among the TEFRA problems identified by the report was a requirement that the IRS identify a “tax matters partner” to represent the partnership on tax issues, even though many partnerships did not designate such a partner, and simply identifying one in a complex partnership could take months. Second, the report described notification requirements that essentially required the IRS to notify individual partners prior to commencing an audit of the partnership, even though such notices were time consuming, carried large costs, and produced few, if any, benefits. Third, the report noted that TEFRA required any tax adjustments called for by an audit to be passed through to the partnership’s taxable partners, even though the IRS’s process for identifying, assessing, and collecting from those partners was laborious, time consuming, costly, and subject to error. In addition, the report explained that, under TEFRA, any tax adjustments had to be applied to past tax years, using complicated and expensive filing and amendment requirements, instead of being applied to the year in which the audit was performed and the adjustment made.

GAO offered several recommendations for Congress and the IRS in its September report. GAO recommended that Congress consider requiring large partnerships to identify a partner to represent them during audits and to pay taxes on audit adjustments at the partnership level. GAO recommended that the IRS take multiple actions, including defining large partnerships, tracking audit results using revised audit codes, and implementing project planning principles for the audit procedure projects.

